78th OREGON LEGISLATIVE ASSEMBLY – 2015 Regular Session **MEASURE: SB 891**

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Senate Health Care

REVENUE: May have revenue impact, statement not yet issued
FISCAL: May have fiscal impact, statement not yet issued

Action:
Vote:
Yeas:
Nays:
Exc.:
Prepared By: Zena Rockowitz, Administrator
Meeting Dates: 3/25, 4/20

WHAT THE MEASURE DOES: Defines "allowed amount" as amount payer has contracted with health care facility to pay for a specific health care service. Defines "billed charge" as cost of health care service billed to patient or payer. Identifies "payer" as Medicare, state medical assistance, coordinated care organizations, Public Employees' Benefit Board, Oregon Educators Benefit Board, largest commercials insurers. Defines "health care facilities" as those licensed by Oregon Health Authority (OHA). Requires OHA to adopt list of 100 most common inpatient and 100 most common outpatient health care services and determine manner in which health care facilities publish billed charges to each type of payer, to uninsured patient, and allowed amount paid for service by type of payer. Requires health care facilities to respond to inquiries about billed charges. Specifies responses must include estimate of billed charges, payer responsible or patient who will receive the service if uninsured, notice cautioning that billed charges vary from estimated charges, information about how to apply for financial assistance, how to file complaint. Specifies if inquirer is enrolled in health benefit plan, health care facility must provide information on whether services will be provided within network of covered plan, notice that enrollee can obtain estimate of costs from insurer. Specifies contract is void if it prevents facility from disclosing information. Declares intention to promote transparency. Exempts from antitrust laws and immunity from antitrust laws. Allows OHA and Department of Human Services to take action before operative date of January 1, 2017. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Transparency in order to reduce cost
- Informed choices and education for patients
- Ability to create user-friendly website
- Use of existing data
- Low administrative burden
- How to make cost data meaningful and put in context

EFFECT OF COMMITTEE AMENDMENT: -1 Amendment: Requires insurer and third party administrators which uses online tools to provide enrollees information, to make tool available to general public. Requires making public 50 most common inpatient admissions, procedures or services paid for or reimbursed by insurer or administrator; maximum amount allowed for each admission, procedure or service; and estimated amount enrollee is responsible to pay for admission, procedure, or service including fees, copayments, deductibles, coinsurance or out-of-pocket expenses. Requires insurers without tool to implement one by 2017.

-3 Amendment: Eliminates requirement for Oregon Health Authority to develop common charges and for health care facilities to post billed charges and amount paid. Requires hospital to respond to inquiries about billed charges for health services in timely manner to enable making informed decisions in a timely way. Requires response to include estimate of each billed charges (amount of provider fees, facility fees, and foreseeable charges), and oral or written notice cautioning

that actual billed charges vary from estimated charges, how to apply for financial assistance and file complaint. Requires response for individuals enrolled in health benefit plan on allowed amount and whether enrollee is covered and verbal or written notice that enrollee can obtain estimate of costs from insurer.

BACKGROUND: Health care spending growth outpaces the growth of the overall economy and worker's wages. Annual estimates of Oregon's health care spending range between $20 to $25 billion dollars. The federal Government Accountability Office found that meaningful price information is difficult for consumers to obtain prior to receiving health care services. The Center for Medicare and Medicaid Services reports that prices between hospitals for the same services vary dramatically, even within the same city. Presently, 34 states require hospitals to report certain charges and reimbursement rates in order to constrain hospital costs, provide financial stability for hospitals, and offer quality care. California, Colorado, Florida, and New Hampshire are required to maintain websites to show prices charged for various procedures. Oregon is one of 12 states which maintain an all-payer claims database. Senate Bill 2009 in 2009 created the Oregon All-Payer All-Claims Data Reporting Program (APAC) to collect health insurance data (e.g., medical and pharmacy claims) from health insurance carriers and third party administrators. Oregon hospitals also submit monthly utilization and financial summaries.