SB 770-1 (LC 1927) 3/29/19 (LHF/ps)

Requested by Senator MANNING JR

PROPOSED AMENDMENTS TO SENATE BILL 770

On <u>page 1</u> of the printed bill, line 2, after the first semicolon delete the rest of the line and lines 3 through 15 and insert "and declaring an emergency.".

4 Delete lines 17 and 18 and delete pages 2 through 89 and insert:

⁵ "SECTION 1. Establishment of the Universal Health Care Commis-⁶ sion. (1) The Universal Health Care Commission is established to re-⁷ commend the design of the Health Care for All Oregon Plan, a ⁸ universal health care system administered by the Health Care for All ⁹ Oregon Board that is equitable, affordable, comprehensive, provides ¹⁰ high quality health care, is publicly funded and available to every in-¹¹ dividual residing in Oregon.

12 "(2) The commission consists of 18 members appointed as follows:

"(a) The President of the Senate shall appoint two members from
 among members of the Senate.

"(b) The Speaker of the House of Representatives shall appoint two
 members from among members of the House of Representatives.

"(c) The Governor shall appoint 13 members who reside in this state
 and who:

"(A) Represent, at a minimum, the following areas of expertise or
 knowledge, either by life experience or other means:

21 "(i) Rural and urban community values and equity accountability;

1 "(ii) Fiscal management or change management;

"(iii) Social services, public health services and medical and surgical services;

4 "(iv) Alternative therapy services, disability services and nursing
5 services; and

6 "(v) Experience seeking or receiving health care in this state for 7 one or more serious medical conditions or disabilities;

"(B) Represent diversity to the greatest extent practicable, including geographic, age, ethnic, gender and gender nonconforming, racial,
economic and disability or health status diversity;

"(C) Offer expertise, knowledge or experience in patient advocacy,
 management of a company that offers health insurance to its em ployees, public health, finance, public policy, organized labor, health
 care or the operation of a small business;

"(D) Include at least two members who receive medical assistance;
"(E) Include at least one member who either has health insurance
offered by the Public Employees' Benefit Board or the Oregon Educators Benefit Board or who represents public employees who have such
health insurance;

"(F) Include at least one member who has employer-sponsored,
 commercial or self-insured health insurance coverage;

"(G) Include at least one member who purchases commercial health
 insurance without any employer contribution;

"(H) Include at least two members who are enrolled in Medicare,
at least one of whom is not also a recipient of medical assistance and
at least one of whom is under the age of 65;

"(I) Include at least one member who receives health care from the
Indian Health Service; and

"(J) Include at least one member who has an active license to pro vide health care in this state, appointed in addition to the members

offering expertise, knowledge and experience in providing health care
 described in subparagraph (A) of this paragraph.

"(d) The Director of the Oregon Health Authority or the director's
designee who is a nonvoting member.

5 "(3) In making the appointments under subsection (2)(c) of this 6 section, the Governor shall ensure that there is no disproportionate 7 influence by any individual, organization, government, industry, busi-8 ness or profession in any decision-making by the commission and no 9 actual or potential conflicts of interest.

"(4) A majority of the voting members of the commission consti tutes a quorum for the transaction of business.

"(5) Official action by the commission requires the approval of a
 majority of the voting members of the commission.

"(6) The commission shall elect one of its members to serve as
 chairperson and one to serve as vice chairperson.

"(7) If there is a vacancy for any cause, the appointing authority
 shall make an appointment to become immediately effective.

"(8) The commission shall meet at times and places specified by the
 call of the chairperson or of a majority of the voting members of the
 commission.

"(9) The commission may adopt rules necessary for the operation
 of the commission.

"(10) The commission may establish any advisory or technical committee the commission considers necessary. The committees may be continuing or temporary. The commission shall determine the representation, membership, terms and organization of the committees and shall appoint the members of the committees.

"(11) The Legislative Policy and Research Director shall provide
 staff support to the commission.

30 "(12) The commission may apply for public or private grants from

1 nonprofit organizations for the costs of research.

"(13) Members of the Legislative Assembly appointed to the commission are nonvoting members of the commission and may act in an
advisory capacity only.

"(14) Members of the commission are entitled to compensation and
expenses as provided in ORS 292.495.

"(15) Members of the advisory or technical committees are not entitled to compensation but, in the discretion of the commission, may be reimbursed for actual and necessary travel and other expenses incurred by the members of the advisory or technical committees in the performance of official duties in the manner and amount provided in ORS 292.495.

"(16) All agencies of state government, as defined in ORS 174.111,
 are directed to assist the commission in the performance of the duties
 of the commission and, to the extent permitted by laws relating to
 confidentiality, to furnish information and advice the members of the
 commission consider necessary to perform their duties.

18 "SECTION 2. Purpose. The Universal Health Care Commission 19 shall produce findings and recommendations, reported to the Legisla-20 tive Assembly as provided in section 5 of this 2019 Act, for a well-21 functioning universal health care system that is responsive to the 22 needs and expectations of the residents of this state by:

"(1) Improving the health status of individuals, families and com munities;

"(2) Defending against threats to the health of the residents of this
 state;

"(3) Protecting individuals from the financial consequences of ill
 health;

29 "(4) Providing equitable access to person-centered care;

30 "(5) Removing cost as a barrier to accessing health care;

"(6) Removing any financial incentive for a health care practitioner
to provide care to one patient rather than another;

"(7) Making it possible for individuals to participate in decisions
affecting their health and the health system;

5 "(8) Establishing measurable health care goals and guidelines that
6 align with other state and federal health standards; and

7 "(9) Promoting continuous quality improvement and fostering
8 interorganizational collaboration.

9 "<u>SECTION 3. Values.</u> The Universal Health Care Commission,
10 in making recommendations for the Health Care for All Oregon Plan,
11 shall consider, at a minimum, the following values:

"(1) Health care, as a fundamental element of a just society, is to
 be secured for all individuals on an equitable basis by public means,
 similar to public education, public safety and other public
 infrastructure;

(2) Access to a distribution of health care resources and services 16 according to each individual's needs and location within the state 17 should be available. Race, color, national origin, age, disability, 18 wealth, income, citizenship status, primary language use, genetic 19 conditions, previous or existing medical conditions, religion, or sex, 20including sex stereotyping, gender identity, sexual orientation and 21pregnancy and related medical conditions, including termination of 22pregnancy, may not create any barriers to health care nor disparities 23in health outcomes due to access to care; 24

"(3) The components of the system will be accountable and fully
 transparent to the public with regard to information, decision-making
 and management through meaningful public participation in decisions
 affecting people's health care; and

29 "(4) Funding for the Health Care for All Oregon Plan is a public 30 trust and any savings or excess revenue are to be returned to that 1 public trust.

<u>SECTION 4.</u> <u>Principles.</u> The Universal Health Care Commission, in
making recommendations for the Health Care for All Oregon Plan,
shall consider at a minimum the following principles:

"(1) Participants in the Health Care for All Oregon Plan may choose
any health care provider or prepaid group practice with salaried providers who are licensed, certified or registered in this state, without
requiring prior approval.

"(2) The plan may not discriminate against any health care provider
who provides services covered by the plan and is licensed, certified or
registered in this state and who is acting within the provider's scope
of practice.

"(3) Within the scope of services covered within each category, and
 within the parameters of standard of care for the plan, participants
 and their health care providers shall determine whether a treatment
 is medically necessary or medically appropriate for that participant.

"(4) The plan will cover services from birth to death based on
evidence-informed decisions as determined by the Health Care for All
Oregon Board.

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"SECTION 5. Scope of the Universal Health Care Commission.

"(1) The design of the Health Care for All Oregon Plan by the Uni versal Health Care Commission must:

"(a) Be based on a single payer health care financing system; and 23"(b) Assume that the state will have the ability to waive restrictions 24that interfere with residents who have other coverage enrolling in the 25Health Care for All Oregon Plan without jeopardizing their eligibility 26for the other coverage, so that they can continue to access some ser-27vices through the other coverage, if they desire, or resume the other 28coverage if they move out of this state. Such other coverage includes 29 but is not limited to: 30

- 1 **"(A) Medicaid;**
- 2 **"(B) Medicare;**

3 "(C) The Children's Health Insurance Program;

- 4 "(D) The Federal Employees Health Benefit Program;
- 5 **"(E) TRICARE;**
- 6 "(F) Self-insured health insurance plans;

7 "(G) Multiple employer welfare arrangements, as defined in ORS
8 750.301;

9 "(H) The United States Department of Veterans Affairs Veterans
 10 Health Administration; or

11 "(I) The Indian Health Service.

"(2) The design of the plan must follow the values and principles
 described in sections 3 and 4 of this 2019 Act. In designing the plan,
 the commission shall consider:

"(a) How the plan will impact the structure of existing state and
 local boards and commissions, county, city, and special service dis tricts, as well as the United States Government, other states and In dian tribes; and

"(b) The issues raised in the report entitled 'A Comprehensive Assessment of Four Options for Financing Health Care Delivery in
Oregon' produced in response to section 1, chapter 712, Oregon Laws
2013, and section 2, chapter 725, Oregon Laws 2015.

"(3) The commission shall make findings and recommendations and
submit a report of its findings and recommendations for the design
of the plan to the Legislative Assembly as provided in ORS 192.245. The
report must include, but is not limited to, the following:

27 "(a) The governance and leadership of the Health Care for All
28 Oregon Board, specifically:

"(A) The composition and representation of the membership of the
 board appointed or otherwise selected using an open and equitable se-

1 lection process;

"(B) The statutory authority the board must have to establish policies, guidelines, mandates, incentives and enforcement needed to develop a highly effective and responsive health care system;

5 "(C) The ethical standards and the enforcement of the ethical 6 standards for members of the board such that there are the most rig-7 orous protections and prohibitions from actual or perceived economic 8 conflicts of interest; and

"(D) Ensuring that there is no disproportionate influence by any
individual, organization, government, industry, business, or profession
in any decision-making by the board;

"(b) A list of federal and state laws, rules, state contracts or agreements, court actions or decisions that may facilitate, constrain, or prevent implementation of the plan and an explanation of how the federal or state laws, rules, state contracts or agreements, court actions or decision may facilitate or constrain or prevent implementation;

"(c) Coverage for nonresidents who receive services but are not el igible for the plan;

"(d) The plan's economic sustainability, operational efficiency, and
 cost control measures that include, but are not limited to the follow ing:

"(A) A financing governance system supported by relevant legis lation, financial audit and public expenditure reviews and clear oper ational rules to ensure efficient use of public funds; and

²⁶ "(B) Cost control features such as multistate purchasing;

"(e) Estimates of the savings and expenditure increases under the
plan relative to the current health care system, including but not
limited to:

30 "(A) The elimination of waste in the current system and savings

from administrative simplification, fraud reduction, monopsony power,
 simplification of electronic documentation and other savings that the
 commission identifies;

4 "(B) Savings by eliminating the cost of insurance that provides
5 medical benefits that would now be provided through the plan; and

6 "(C) The increased costs to provide better health care to more in-7 dividuals than under the current health care system;

8 "(f) Estimates of the expected health care expenditures under the 9 plan compared to the current health care system, reported in catego-10 ries similar to the National Health Expenditure Accounts compiled by 11 the Centers for Medicare and Medicaid Services, including, at a mini-12 mum:

13 "(A) Personal health care expenditures;

14 "(B) Health consumption expenditures; and

15 "(C) State health expenditures;

"(g) Features of the plan that are necessary to continue to receive
 federal funding that is currently available to the state and estimates
 of the amount of the federal funding that will be available;

"(h) Estimates of how much of the expenditures on the plan will
be made from funds already spent on health care in this state from
both state and federal sources and redirected or utilized, in an equitable and comprehensive manner, to the plan;

"(i) Estimates of how much, if any, additional state revenue will
be required;

²⁵ "(j) Fiduciary requirements for the revenue generated to fund the ²⁶ plan including, but not limited to, the following:

"(A) A dedicated fund separate and distinct from the General Fund
that is held in trust for the residents of this state;

"(B) Restrictions to be authorized by the Health Care for All Oregon
Board on the use of the trust fund;

"(C) A process for creating a reserve fund by retaining funds in the
trust fund if, during a year, revenue exceeds costs; and

"(D) Required accounting methods that eliminate the potential for misuse of public funds, detect inaccuracies in provider reimbursement and use the most rigorous generally accepted accounting principles, including annual external audits and audits at the time of each transition in the board's executive management;

8 "(k) Requirements for the purchase of reinsurance;

9 "(L) Bonding authority that may be necessary;

"(m) The role of the Health Care for All Oregon Board's role in
 workforce recruitment, retention and development, including but not
 limited to the following:

"(A) Using the Health Care Provider Incentive Fund established in
 ORS 676.450;

"(B) Achieving workforce adequacy, having sufficient number and
 mix of healthcare professionals, including a diversity of providers and
 a range of competencies;

"(C) Developing provider reimbursement methodologies that are
 effective in recruiting and retaining an adequate health care
 workforce; and

"(D) Providing continuous professional education and making
 changes or recommendations in the scope of practice related to pro fessional licensure;

"(n) A process for the board to develop statewide goals, objectives
 and ongoing review;

"(o) The appropriate relationship between the board and regional
 or local authorities and oversight of health activities, health care
 systems and providers to promote community health reinvestment,
 equity and accountability;

³⁰ "(p) Criteria to guide the board in determining which health care

services are necessary for the maintenance of health, the prevention
of health problems, the treatment or rehabilitation of health conditions and long term and respite care. Guidelines may include, but are
not limited to, the following:

5 "(A) Whether the services are cost effective and evidence-based
6 from multiple sources of evidence;

"(B) Whether the services are currently covered by the health benefit plans offered by the Oregon Educators Benefit Board and the
Public Employees' Benefit Board;

"(C) Whether the services are designated as effective by the United 10 States Preventive Services Task Force, the Advisory Committee on 11 Immunization Practices. the Health Resources and Services 12Administration's Bright Futures project, the Institute of Medicine 13 **Committee on Preventive Services for Women or the Health Evidence** 14 **Review Commission;** 15

16 "(D) Whether the evidence on the effectiveness of services comes 17 from peer reviewed medical literature, existing assessments and rec-18 ommendations from state and federal boards and commissions and 19 other peer reviewed sources; and

"(E) Whether the services are based on information provided by the
 Traditional Health Workers Commission established in ORS 413.600;
 and

"(q) How the plan will track and resolve complaints, grievances, and
 appeals, including establishing an Office of the Patient Advocate.

"(4)(a) The Universal Health Care Commission's recommendations and findings regarding revenue for the plan, including redirecting existing health care expenditures, under subsection (3)(h) of this section, must be ranked according to explicit criteria, including the degree to which an individual, class of individuals or organization would experience an increase, decrease or no change in the direct or indirect fi-

nancial burden. Revenue options may include, but are not limited to
the following:

3 "(A) Redirecting current expenditures by public agencies;

"(B) An employer payroll tax based on progressive principles that
protect small businesses and that tend to preserve or enhance federal
tax expenditures for Oregon employers that pay the costs of their
employees' health care; and

8 "(C) A dedicated revenue stream based on progressive taxes that 9 do not impose a burden on individuals who would otherwise qualify for 10 medical assistance.

"(b) Revenue options may not include deductibles, copayments,
 coinsurance or any other out-of-pocket expenses imposed on plan
 participants.

"(5) The commission shall explore the effect of means-tested copayments or deductibles, comparing versions of the plan with and without means-tested copayments or deductibles, including but not limited to the effect of increased administrative complexity and the resulting costs that cause patients to delay getting necessary care, resulting in more severe consequences for their health.

20 "(6) The commission's recommendations must ensure:

"(a) Public access to state, regional and local reports and forecasts
 of revenue expenditures;

"(b) That the reports and forecasts are accurate, timely, of sufficient detail and presented in a way that is understandable to the public
 to inform policymaking and the allocation or reallocation of public
 resources; and

"(c) That the information can be used to evaluate programs and
 policies, while protecting patient confidentiality.

29 **"(7) The commission shall:**

30 "(a) Study other states' attempts at providing universal coverage

and using single payer health care financing systems, including the
outcomes of the attempts.

"(b) Present options for transition planning, including an impact
analysis on existing health systems, providers and patient relationships.

"(c) Evaluate the impact on individuals, communities and the state
if the current level of health care spending continues, using existing
reports and analysis where available.

9 "(8) In establishing the criteria to guide the board in determining
10 the health services to be covered by the plan under subsection (3)(p)
11 of this section, the commission shall:

"(a) Ensure input from individuals in rural and underserved com munities and from individuals in communities that experience health
 care disparities;

15 "(b) Solicit public comments statewide while providing the public 16 evidence-based information developed by the commission about the 17 health care costs of a single payer health care financing system as 18 compared to the current system;

19 "(c) Solicit the perspectives of:

20 "(A) Individuals throughout the range of communities that experi-21 ence health care disparities;

²² "(B) A range of businesses based on industry and employer size;

"(C) Individuals with a range of current insurance types and those
 who are uninsured or underinsured; and

"(D) Individuals with a range of health care needs including indi viduals needing disability services and long term care services; and

"(d) Preserve the coverage of the health services currently required
by Medicare, Medicaid, the Children's Health Insurance Program, the
Patient Protection and Affordable Care Act (P.L.111-148), as amended
by the Health Care and Education Reconciliation Act of 2010

(P.L.111-152), Oregon's medical assistance program and by any other
 state or federal program.

"(9) The commission's recommendations must be succinct statements and include actions and timelines, the degree of consensus and the priority of each recommendation based on urgency and importance. The commission may also defer any recommendations for the Health Care for All Oregon Board to determine.

"(10) The commission, in developing and reporting to the Legislative
Assembly its findings and recommendations, shall describe how the
board or some other entity may enhance:

"(a) Access to comprehensive, high quality, patient-centered,
 patient-empowered, equitable and publicly funded health care for all
 individuals;

"(b) Financially sustainable and cost-effective health care for the
 benefit of businesses, families, individuals and state and local govern ments;

"(c) Regional and community-based systems integrated with com munity programs to contribute to the health of individuals and com munities;

20 "(d) Regional planning for cost-effective, reasonable capital ex-21 penditures that promote regional equity;

"(e) Funding for the modernization of public health, under ORS
 431.001 to 431.550, as an integral component of cost efficiency in an
 integrated health care system; and

"(f) An ongoing and deepening collaboration with Indian tribes and
 other organizations providing health care that will not be under the
 authority of the board.

"(11) After reviewing the work from existing health care profes sional boards and commissions, the Universal Health Care Commission
 shall incorporate important aspects of the work of the health care

professional boards and commissions into recommendations for the
plan.

³ "SECTION 6. General Nature of the System to be Evaluated.

"(1) The Health Care for All Oregon Plan designed by the Universal
Health Care Commission shall allow participation by any individual
who:

7 "(a) Resides in this state;

8 "(b) Is a nonresident who works full time in this state and con-9 tributes to the plan; or

"(c) Is a nonresident who is a dependent of an individual described
in paragraph (a) or (b) of this subsection.

"(2) Risk-bearing entities may not be permitted to operate as a
 conduit between the plan and health care providers.

14 "(3) Health care providers shall be paid as follows:

"(a) The payment options for physicians and other individual health
 practitioners licensed in this state will be:

17 "(A) Fee-for-service reimbursement for services;

"(B) Salaries for practitioners in institutions that are reimbursed
 with global budgets; and

20 "(C) Salaries for practitioners in group practices or health care 21 service contractors that are reimbursed by capitation payments.

"(b) The commission shall recommend reimbursement to be paid to out-of-state providers for health services provided to plan participants if the services are provided out of medical necessity or because the services were reasonably accessible only out of state.

"(c) Except as provided in paragraph (d) of this subsection, institu tional providers will be paid by global budgets.

"(d) An institutional provider may receive capitation payments if
 the provider:

30 "(A) Is a nonprofit;

"(B) Delivers care in the institution using salaried practitioners
who are employees;

"(C) Does not use the capitated payments for hospital services; and
"(D) Does not offer financial incentives based on utilization of services.

"(4) Large institutional providers of inpatient care shall be paid 6 with a global budget consisting of separate operational and capital 7 budgets. Regional planning must determine appropriate capital budg-8 ets. The commission shall make recommendations regarding how to 9 define a large institutional provider, how it shall be determined and 10 the principles guiding the determination. Global budgets for hospitals 11 must apply to individual hospitals, not to entities that own hospitals, 12clinics and other providers of medical goods and services. 13

"(5) The commission shall estimate hospital administrative savings
 that are expected in a system in which hospitals are paid as described
 in subsections (3) and (4) of this section.

17 "(6) The commission shall estimate costs of and new public revenue 18 required for the plan with and without long term care included. A plan 19 that includes long term care must assume that long term services and 20 supports will be tailored to the individual's needs based on an assess-21 ment and include:

"(a) Long term nursing services in an institution or a community based setting;

"(b) A broad spectrum of long term services and supports including
 home and community-based settings or other noninstitutional set tings;

"(c) Services that meet the physical, mental and social needs of
individuals while allowing them their maximum possible autonomy
and maximum civic, social and economic participation;

30 "(d) Long term services and supports regardless of the individual's

1 type of disability, level of disability, service needs or age;

"(e) Services provided in the least restrictive setting appropriate to
 the individual's needs;

"(f) Services provided in a manner that allows persons with disabilities to maintain their independence, self-determination and dignity;

6 "(g) Services and supports that are of equal quality and accessibility
7 in every geographic region of this state; and

8 "(h) Services and supports that give the individual the opportunity
9 to direct the services.

"(7) In developing the plan that includes long term care the com mission shall convene an advisory committee that includes:

"(a) Persons with disabilities who receive long term services and
 supports;

14 "(b) Older adults who receive long term services and supports;

"(c) Individuals representing persons with disabilities and older
 adults;

"(d) Members of groups that represent the diversity of individuals
 who have disabilities including by gender, race and economic status;
 and

"(e) Providers of long term services and supports, including family
 attendants, family caregivers and in-home care providers who are re presented by organized labor; and

23 "(f) Academics and researchers in relevant fields of study.

"(8) The commission's recommendations for the duties of the Health Care for All Oregon Board and the details of the Health Care for All Oregon Plan must ensure that patients are empowered to protect their health, their rights and their privacy by considering the following:

"(a) Access to patient advocates who are responsible to the patient
 and maintain patient confidentiality and whose responsibilities include

but are not limited to addressing concerns about providers and helping
patients navigate the process of obtaining medical care;

"(b) Access to culturally and linguistically appropriate care and
service;

5 "(c) The patient's ability to obtain needed care when a treating 6 provider or institution is unable or unwilling to provide the care;

"(d) Paying providers for completing forms or performing other
administrative functions to assist patients in qualifying for disability
benefits, family medical leave or other income supports; and

"(e) The patient's access to and control of medical records, includ ing:

"(A) Empowering patients to control access to their medical records
 and obtain independent second opinions, unless there are clear medical
 reasons not to do so;

"(B) Requiring that a patient or the patient's designee be provided
 a complete copy of the patient's health records promptly after every
 interaction or visit with a health care provider;

"(C) Ensuring that the copy of the health records provided to a
 patient includes all data used in the care of that patient; and

"(D) Requiring that the patient or the patient's designee approve
 the forwarding to or access by family members, caregivers, other
 providers and researchers of the patient's data.

23 **"SECTION 7. Commission Time line.**

"(1) The Universal Health Care Commission shall have its first
 meeting no later than November 1, 2019.

"(2) No later than March 15, 2020, the commission shall provide an
interim report to the interim committees of the Legislative Assembly
related to health on the progress of the commission in preparing the
recommendations for the Health Care for All Oregon Plan and the
Health Care for All Oregon Board.

"(3) No later than February 1, 2021, the commission shall submit its
final findings and recommendations for the design of the Health Care
for All Oregon Plan and the Health Care for All Oregon Board to the
committees of the Legislative Assembly related to health.

"(4) If the recommendations are not complete by February 1, 2021,
the commission shall report to the committees of the Legislative Assembly related to health the work that remains and time line for
completion.

9 "SECTION 8. Captions. The section captions used in this 2019 Act 10 are provided only for the convenience of the reader and do not become 11 part of the statutory law of this state or express any legislative intent 12 in the enactment of this 2019 Act.

"SECTION 9. Emergency clause. This 2019 Act being necessary for
 the immediate preservation of the public peace, health and safety, an
 emergency is declared to exist, and this 2019 Act takes effect on its
 passage.".

17