

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
SENATE BILL 889**

1 On page 2 of the printed bill, delete lines 6 through 45 and delete pages
2 3 through 5.

3 On page 6, delete lines 1 through 42 and insert:

4 **“SECTION 1. As used in this section and section 2 of this 2019 Act:**

5 **“(1) ‘Health care’ means items, services and supplies intended to**
6 **improve or maintain human function or treat or ameliorate pain, dis-**
7 **ease, condition or injury, including but not limited to the following**
8 **types of services:**

9 **“(a) Medical;**

10 **“(b) Behavioral;**

11 **“(c) Substance use disorder;**

12 **“(d) Mental health;**

13 **“(e) Surgical;**

14 **“(f) Optometric;**

15 **“(g) Dental;**

16 **“(h) Podiatric;**

17 **“(i) Chiropractic;**

18 **“(j) Psychiatric;**

19 **“(k) Pharmaceutical;**

20 **“(L) Therapeutic;**

21 **“(m) Preventive;**

1 “(n) Rehabilitative;

2 “(o) Supportive; or

3 “(p) Geriatric.

4 “(2) ‘Health care cost growth’ means the annual percentage change
5 in total health expenditures in this state.

6 “(3) ‘Health care cost growth benchmark’ means the target per-
7 centage for health care cost growth.

8 “(4) ‘Health care entity’ means a payer or a provider.

9 “(5) ‘Health insurance’ has the meaning given that term in ORS
10 731.162.

11 “(6) ‘Net cost of private health insurance’ means the difference be-
12 tween health insurance premiums received by a payer and the claims
13 for the cost of health care paid by the payer under a policy or certif-
14 icate of health insurance.

15 “(7) ‘Payer’ means:

16 “(a) An insurer offering a policy or certificate of health insurance
17 or a health benefit plan as defined in ORS 743B.005;

18 “(b) A publicly funded health care program, including but not lim-
19 ited to Medicaid, Medicare and the State Children’s Health Insurance
20 Program;

21 “(c) A third party administrator; and

22 “(d) Any other public or private entity, other than an individual,
23 that pays or reimburses the cost for the provision of health care.

24 “(8) ‘Provider’ means an individual, organization or business entity
25 that provides health care.

26 “(9) ‘Total health expenditures’ means all health care expenditures
27 in this state by public and private sources, including:

28 “(a) All payments on providers’ claims for reimbursement of the
29 cost of health care provided;

30 “(b) All payments to providers other than payments described in

1 paragraph (a) of this subsection;

2 “(c) All cost-sharing paid by residents of this state, including but
3 not limited to copayments, deductibles and coinsurance; and

4 “(d) The net cost of private health insurance.

5 **“SECTION 2. (1) The Legislative Assembly intends to establish a
6 health care cost growth benchmark, for all providers and payers, to:**

7 **“(a) Support accountability for the total cost of health care across
8 all providers and payers, both public and private;**

9 **“(b) Build on the state’s existing efforts around health care pay-
10 ment reform and containment of health care costs; and**

11 **“(c) Ensure the long-term affordability and financial sustainability
12 of the health care system in this state.**

13 **“(2) The Health Care Cost Growth Benchmark program is estab-
14 lished. The program shall be administered by the Oregon Health Au-
15 thority in collaboration with the Department of Consumer and
16 Business Services, subject to the oversight of the Oregon Health Policy
17 Board. The program shall establish a health care cost growth
18 benchmark for increases in total health expenditures and shall review
19 and modify the benchmark on a periodic basis.**

20 **“(3) The health care cost growth benchmark must:**

21 **“(a) Promote a predictable and sustainable rate of growth for total
22 health expenditures as measured by an economic indicator adopted by
23 the board, such as the rate of increase in this state’s economy or of
24 the personal income of residents of this state;**

25 **“(b) Apply to all providers and payers in the health care system in
26 this state;**

27 **“(c) Use established economic indicators; and**

28 **“(d) Be measurable on a per capita basis, statewide basis and health
29 care entity basis.**

30 **“(4) The program shall establish a methodology for calculating**

1 **health care cost growth:**

2 **“(a) Statewide;**

3 **“(b) For each provider and payer, taking into account the health**
4 **status of the patients of the provider or the beneficiary of the payer;**
5 **and**

6 **“(c) Per capita.**

7 **“(5) The program shall establish requirements for providers and**
8 **payers to report data and other information necessary to calculate**
9 **health care cost growth under subsection (4) of this section.**

10 **“(6) Annually, the program shall:**

11 **“(a) Hold public hearings on the growth in total health expenditures**
12 **in relation to the health care cost growth in the previous calendar**
13 **year;**

14 **“(b) Publish a report on health care costs and spending trends that**
15 **includes:**

16 **“(A) Factors impacting costs and spending; and**

17 **“(B) Recommendations for strategies to improve the efficiency of**
18 **the health care system; and**

19 **“(c) For providers and payers for which health care cost growth in**
20 **the previous calendar year exceeded the health care cost growth**
21 **benchmark:**

22 **“(A) Analyze the cause for exceeding the health care cost growth**
23 **benchmark; and**

24 **“(B) If appropriate, require the provider or payer to undertake a**
25 **performance improvement action plan.**

26 **“SECTION 3. (1) The Health Care Cost Growth Benchmark Imple-**
27 **mentation Committee is established under the direction of the Oregon**
28 **Health Policy Board.**

29 **“(2) The membership of the committee consists of the following:**

30 **“(a) The Director of the Oregon Health Authority or the director’s**

1 **designee;**
2 **“(b) The Director of the Department of Consumer and Business**
3 **Services or the director’s designee;**
4 **“(c) An expert in health care financing and administration ap-**
5 **pointed by the Director of the Oregon Health Authority;**
6 **“(d) An expert in health economics appointed by the Director of the**
7 **Oregon Health Authority;**
8 **“(e) At least one insurance broker appointed by the Director of the**
9 **Department of Consumer and Business Services; and**
10 **“(f) No more than 13 members appointed by the Governor to repre-**
11 **sent:**
12 **“(A) The Health Insurance Exchange Advisory Committee created**
13 **under ORS 741.004;**
14 **“(B) The division of the Oregon Department of Administrative Ser-**
15 **vices that serves as the department’s office of economic analysis;**
16 **“(C) The Oregon Health Leadership Council;**
17 **“(D) Health care systems or urban hospitals;**
18 **“(E) Rural hospitals;**
19 **“(F) Consumers;**
20 **“(G) Members of the business community that purchase health in-**
21 **surance for their employees;**
22 **“(H) Licensed and certified health care professionals; and**
23 **“(I) The insurance industry.**
24 **“(3) The committee shall design an implementation plan, in ac-**
25 **cordance with section 4 of this 2019 Act, for the Health Care Cost**
26 **Growth Benchmark program established in section 2 of this 2019 Act.**
27 **“(4) A majority of the members of the committee constitutes a**
28 **quorum for the transaction of business.**
29 **“(5) Official action by the committee requires the approval of a**
30 **majority of the members of the committee.**

1 **“(6) The Governor shall select one member to serve as chairperson.**

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

4 **“(8) The committee shall meet at times and places specified by the**
5 **call of the chairperson or of a majority of the members of the com-**
6 **mittee.**

7 **“(9) The committee may adopt rules necessary for the operation of**
8 **the committee.**

9 **“(10) The Oregon Health Authority shall provide staff support to the**
10 **committee.**

11 **“(11)(a) Members of the committee, other than members repre-**
12 **senting consumers, are not entitled to compensation or reimburse-**
13 **ment for expenses and serve as volunteers on the committee.**

14 **“(b) Members representing consumers are not entitled to compen-**
15 **sation but may be reimbursed from funds available to the authority**
16 **for actual and necessary travel and other expenses incurred by the**
17 **members in the performance of official duties in the manner and**
18 **amount provided in ORS 292.495.**

19 **“(12) All agencies of state government, as defined in ORS 174.111,**
20 **are directed to assist the committee in the performance of the duties**
21 **of the committee and, to the extent permitted by laws relating to**
22 **confidentiality, to furnish information and advice that the members**
23 **of the committee consider necessary to perform their duties.**

24 **“SECTION 4. (1) As used in this section:**

25 **“(a) ‘Health care’ has the meaning given that term in section 1 of**
26 **this 2019 Act.**

27 **“(b) ‘Health care cost growth’ has the meaning given that term in**
28 **section 1 of this 2019 Act.**

29 **“(c) ‘Health care cost growth benchmark’ has the meaning given**
30 **that term in section 1 of this 2019 Act.**

1 “(d) ‘Health care entity’ has the meaning given that term in section
2 1 of this 2019 Act.

3 “(e) ‘Health insurance’ has the meaning given that term in ORS
4 731.162.

5 “(f) ‘Payer’ has the meaning given that term in section 1 of this 2019
6 Act.

7 “(g) ‘Provider’ has the meaning given that term in section 1 of this
8 2019 Act.

9 “(h) ‘Total health expenditures’ has the meaning given that term
10 in section 1 of this 2019 Act.

11 “(2) The Health Care Cost Growth Benchmark Implementation
12 Committee, in designing the implementation plan for the Health Care
13 Cost Growth Benchmark program, shall:

14 “(a) Recommend the governance structure for the program.

15 “(b) Recommend a methodology to establish the health care cost
16 growth benchmark and the economic indicators to be used in estab-
17 lishing the benchmark.

18 “(c) Establish the initial benchmark and specify the frequency and
19 manner in which the benchmark should be reevaluated and updated.

20 “(d) Identify the data that providers and payers shall report for the
21 program to be able to:

22 “(A) Measure the benchmark;

23 “(B) Validate the benchmark; and

24 “(C) Identify the health care cost growth of an institutional pro-
25 vider or provider group and of providers that are part of the institu-
26 tional provider or provider group.

27 “(e)(A) Determine the technical assistance and support necessary
28 to support providers and payers working to remain at or below the
29 health care cost growth benchmark; and

30 “(B) Identify opportunities to leverage existing public and private

1 financial resources, or alternative funding, to provide the technical
2 assistance and support.

3 “(f) Recommend approaches for measuring the quality of care that
4 account for patient health status.

5 “(g) Seek to align the approaches for measuring the quality of care
6 under paragraph (f) of this subsection with the outcome and quality
7 measures adopted by the Health Plan Quality Metrics Committee.

8 “(h) Identify opportunities for lowering costs, improving the quality
9 of care and improving the efficiency of the health care system by using
10 innovative payment models for all payers, including payment models
11 that do not use a per-claim basis for payments.

12 “(i) Recommend a system for identifying:

13 “(A) Unjustified variations in prices or in health care cost growth;
14 and

15 “(B) The factors that contribute to the unjustified variations.

16 “(j) Identify providers and payers that are required to report.

17 “(k) Recommend accountability and enforcement processes, which
18 may be phased in over time, including:

19 “(A) Measures to ensure compliance with reporting requirements;

20 “(B) Procedures for imposing a performance improvement action
21 plan or other escalating enforcement actions when a provider or payer
22 fails to remain at or below the benchmark; and

23 “(C) Measures to enforce compliance with the health care cost
24 growth benchmark in programs administered by the Oregon Health
25 Authority and the Department of Consumer and Business Services,
26 including but not limited to:

27 “(i) The medical assistance program;

28 “(ii) Medical, dental, vision and other health care benefit plans of-
29 fered by the Public Employees’ Benefit Board;

30 “(iii) Medical, dental, vision and other health care benefit plans of-

1 **ferred by the Oregon Educators Benefit Board;**
2 **“(iv) Insurance offered through the health insurance exchange; and**
3 **“(v) The review of health insurance premium rates by the depart-**
4 **ment.**
5 **“(L) Make recommendations regarding the reporting of data col-**
6 **lected by the Health Care Cost Growth Benchmark program, including**
7 **recommendations for:**
8 **“(A) Publication of an annual health care cost trends report and**
9 **analyses on the statewide health care cost growth benchmark, total**
10 **health expenditures and spending by each type of health care entity;**
11 **“(B) Elements to be included in the annual health care cost trends**
12 **report, such as:**
13 **“(i) Services provided, sorted by provider organization;**
14 **“(ii) Services paid for, sorted by the type of payer;**
15 **“(iii) Variations in cost trends, sorted by category of service; and**
16 **“(iv) Affordability of health care, based on prices, insurance pre-**
17 **miums and types of payment;**
18 **“(C) Frequency and format of public hearings conducted in accord-**
19 **ance with section 2 (6)(a) of this 2019 Act;**
20 **“(D) Publication of recommendations for policies and strategies for**
21 **achieving the health care cost growth benchmark;**
22 **“(E) Publication of performance improvement action plans and**
23 **other enforcement actions; and**
24 **“(F) Reporting to the Legislative Assembly.**
25 **“(m) Establish an implementation timeline and the phases of im-**
26 **plementation that may include the establishment of the initial health**
27 **care cost growth benchmark under paragraph (c) of this subsection in**
28 **2021, with reporting, enforcement and penalties beginning in 2022.**
29 **“SECTION 5. (1) No later than September 15, 2020, the Health Care**
30 **Cost Growth Benchmark Implementation Committee shall report to**

1 the Oregon Health Policy Board for approval, and to the interim
2 committees of the Legislative Assembly related to health, the
3 committee's recommendations under section 4 of this 2019 Act. The
4 report shall include a legislative concept for carrying out the pro-
5 visions of section 4 (2)(k)(B) of this 2019 Act regarding the imposition
6 of performance improvement action plans or other escalating
7 enforcement actions when a provider or payer fails to remain at or
8 below the health care cost growth benchmark.

9 “(2) The Oregon Health Authority and the Department of Consumer
10 and Business Services shall implement the recommendations of the
11 committee, except for the provisions in the legislative concept de-
12 scribed in subsection (1) of this section, upon approval by the board.”.

13 After line 43, insert:

14 **“SECTION 7. In addition to and not in lieu of any other appropri-**
15 **ation, there is appropriated to the Oregon Health Authority, for the**
16 **biennium beginning July 1, 2019, out of the General Fund, the amount**
17 **of \$993,797, which may be expended for carrying out sections 1 to 4 of**
18 **this 2019 Act.”.**

19 In line 44, delete “7” and insert “8”.

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