

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2517 - 1**

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Requires coordinated care organizations to report specified information to Oregon Health Authority regarding requests for prior authorization.

**Government Unit(s) Affected:**

Department of Consumer and Business Services (DCBS), Oregon Health Authority (OHA)

**Summary of Fiscal Impact:**

Costs related to the measure are indeterminate at this time - See explanatory analysis.

**Analysis:**

HB 2517 - 1 directs the Oregon Health Authority (OHA) to compile and post on its website a report on requests for prior authorization received by coordinated care organizations (CCOs) or risk-bearing entities associated with CCOs. The report is to be updated annually, and to include the number of requests received, number of requests initially denied and the reason for the denial, and the number of denials reversed on appeal. This information must also be reported by all insurers offering a health benefit plan in Oregon.

This measure also establishes new criteria for insurers to follow related to utilization review requirements and notifications to providers regarding denial of requests for coverage. It also modifies guidelines for step therapy coverage. Additionally, this measure requires the Public Employees’ Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) to comply with the requirements for a health benefit plan described in ORS 743B.256, 743B.420, and 743B.423, which relate to duties of independent review organizations, prior authorization requirements, and utilization review requirements for insurers offering a health benefit plan.

The total fiscal impact of the measure is indeterminate at this time, but is likely minimal. OHA’s Health Systems Division is able to implement the CCO prior authorization reporting requirement within existing resources. However, OHA reports the measure could increase premiums in the plans offered by PEBB and OEBB due to a loss of savings based on the agency’s understanding of the limitations the measure places on prior authorization and step therapy programs. Costs related to PEBB impact the premiums paid by state agencies and universities, and the costs for OEBB primarily impact the premiums paid by the K-12 school system.

There is minimal fiscal impact for the Department of Consumer and Business Services.