

# Enrolled House Bill 2010

Sponsored by Representative SALINAS, Senator BEYER, Representatives NOSSE, HAYDEN; Representatives ALONSO LEON, CAMPOS, DEXTER, FAHEY, MARSH, NOBLE, PHAM, PRUSAK, REYNOLDS, RUIZ, SANCHEZ, WILDE, WILLIAMS, Senators JAMA, PATTERSON

CHAPTER .....

## AN ACT

Relating to health care; and declaring an emergency.

Whereas the Legislative Assembly intends to create a state-supported public health plan for Oregonians to achieve the Legislative Assembly’s goal of universal access to affordable, high quality insurance coverage by providing new and more affordable coverage options to individuals and small businesses that struggle to afford health care or health insurance due to premium and out-of-pocket costs; and

Whereas the public health plan should be designed to support and advance other state efforts to improve value and contain costs, including prioritization of health equity, the statewide health care cost growth target, advancing the integrated and coordinated care delivery system, advancing value-based payment methods and moving the health system in this state to using a global budget; and

Whereas the public health plan should provide more consumer-friendly plan design with lower out-of-pocket costs and make health care more accessible at the point of care; and

Whereas the public health plan should support the Legislative Assembly’s goal to align health system transformation goals and efforts across state programs, including state-sponsored health programs and the health insurance exchange, and to align expectations of the health care delivery system; and

Whereas the state should leverage its purchasing power as the largest purchaser of health insurance, covering nearly 40 percent of the state between the medical assistance program, public employees and the health insurance exchange, to help reduce and control costs and increase the quality and value of care delivered in this state, including through the bulk purchasing of prescription drugs and the production of generic prescription drugs; now, therefore,

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. (1) The Oregon Health Authority, in collaboration with the Department of Consumer and Business Services, shall create an implementation plan for a public health plan to be made available to individuals and families in the individual health insurance market. The plan may also be made available to small employers whose employees struggle with health care costs.**

**(2) The authority and the department shall analyze:**

**(a) Potential federal opportunities to support a state-supported public health plan such as a basic health plan or, in collaboration with the Department of Consumer and Business Services, a waiver for state innovation, under the Patient Protection and Affordable Care**

Act, options for the state to obtain federal waivers to further increase affordability or other opportunities.

(b) Which populations in this state are most in need of new coverage options and how new options could be tailored to the needs of specific population.

(c) The effect that introducing a public health plan may have on the overall stability of insurance markets in this state.

(d) How the American Rescue Plan Act of 2021 (P.L. 117-2) and other federal program changes may improve affordability and access to coverage and how these changes inform state policy options related to developing a new coverage option.

(e) How a state-based technology platform could further the implementation and accessibility of a public health plan.

(f) Adverse consequences of certain design elements which the state may wish to avoid, including not adopting a public health plan.

(g) What level of additional subsidies, such as premium assistance or cost-sharing subsidies, would help with affordability for Oregonians struggling with health care costs.

(h) Coverage strategies being developed by the Task Force on Universal Health Care.

(3) Based on the analyses performed under subsection (2) of this section, the authority and the department shall make recommendations on:

(a) The operating structure and governance of the public health plan, including which agency will administer the plan and how a delivery system will be procured.

(b) How the state can leverage existing state-backed plans or networks, such as coordinated care organizations and plans offered by the Public Employees' Benefit Board and the Oregon Educators Benefit Board, to offer a more affordable option.

(c) Plan design options to reduce out-of-pocket costs for individuals to reduce barriers to care at the point of service.

(d) How the plan can further the state goals of health system transformation including but not limited to:

(A) The use of value-based payment and global budgets;

(B) Eliminating health disparities;

(C) Aligning quality and access metrics; and

(D) Meeting the state's cost growth target.

(e) Cost containment options and opportunities for the state to leverage state purchasing power to ensure program affordability and ensure that per capita costs stay within the cost growth target.

(f) Plan and program design options aligned with the state's goal of eliminating health inequities in the next 10 years.

(g) Other structural and program changes the state could make to ensure successful implementation of any plans developed, including how a state-based technology platform could further the implementation and accessibility of a public health plan option.

(h) Enrollment infrastructure that may be needed by coordinated care organizations, if coordinated care organizations are the recommended delivery system, to enroll members in a separate program.

(i) Outreach infrastructure and investments that would support educating people in this state, particularly communities of color and populations with above-average uninsured rates, about available options for subsidized coverage and newly available options under the American Rescue Plan Act of 2021 (P.L. 117-2), and support increasing enrollment of eligible individuals in existing programs that provide affordable coverage.

(j) Statutory changes needed to implement the recommendations.

(4) The authority and the department may rely upon previous studies on implementing a basic health plan or other public options conducted for the state by Manatt, Phelps and Phillips, research and consultation from the Task Force on Universal Health Care and any other relevant public option studies or reports completed within the past five years.

(5) The authority and the department shall contract with outside experts, if necessary, to get the needed analyses within the required deadlines.

(6) No later than January 1, 2022, the authority and the department shall report to the Legislative Assembly, in the manner provided in ORS 192.245, on the implementation plan created under subsection (1) of this section, including the analyses under subsection (2) of this section and recommendations under subsection (3) of this section. The report shall also include any future legislative changes needed to secure federal waivers or federal funding or any additional state authority needed to implement the public health plan.

(7) The authority may take steps necessary to obtain federal approval, if necessary, to implement a public health plan and to convey to the Centers for Medicare and Medicaid Services this Legislative Assembly's support for a public health plan.

**SECTION 2.** (1) No later than July 1, 2022, the Oregon Health Authority shall report to the interim committees of the Legislative Assembly related to health, in the manner provided in ORS 192.245, recommendations for a regional global budget health care delivery model pilot.

(2) The recommendations must:

(a) Take into account state and private participation in the health insurance exchange and may include employer-sponsored plans; and

(b) Be aligned with the state goals for health care transformation, including the use of value-based payments and the health care cost growth target established in accordance with ORS 442.386.

**SECTION 3.** Notwithstanding any other provision of law, the General Fund appropriation to the Oregon Health Authority, by section 1 (3), chapter \_\_\_\_\_, Oregon Laws 2021 (Enrolled House Bill 5024), for the biennium beginning July 1, 2021, for central services, state assessments and enterprise-wide costs, is increased by \$650,000 for carrying out section 1 of this 2021 Act.

**SECTION 4.** Section 1 of this 2021 Act is repealed on January 2, 2023.

**SECTION 5.** This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

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**Passed by House June 24, 2021**

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate June 26, 2021**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2021

**Approved:**

.....M.,....., 2021

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2021

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Shemia Fagan, Secretary of State