

HB 2878 -3 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/22, 4/4

WHAT THE MEASURE DOES:

Establishes Aligning for Health Pilot Program (Program), administered by the Oregon Health Authority (OHA). Specifies Program goals, including: establishing more predictable and aligned payment models and metrics for providers regardless of payer, increasing the number of providers receiving population-based payments tied to health outcomes, rewarding health systems for keeping people healthy and containing costs, giving health systems and providers flexibility in how to deliver care, and providing more equitable and meaningful; access to quality health services and continuity of care. Specifies three phases for Program and prescribes requirements for phases and payers and purchasers participating in Program. Specifies requirements for OHA in administering Program, including allowable regulatory relief to given payers and providers sufficient flexibility to provide incentives for innovation. Requires OHA to convene advisory group to make recommendation regarding required health equity fund. Requires OHA to complete formal evaluation of Program and submit report to Legislative Assembly by September 15, 2026.

ISSUES DISCUSSED:

- Potential pilot locations
- Balancing strategies to reduce health care costs with promoting quality and good outcomes
- How to measure success of pilot
- Potential impacts to providers

EFFECT OF AMENDMENT:

-3 Requires OHA to work collaboratively with Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB) on issuance of external contracts during first phase of Program. Clarifies prioritization considerations to be used for identifying regions to be included in Program. Clarifies initial contracts to be awarded in second phase of Program. Exempts payers participating in Program from requirements of Health Care Market Oversight program while participating in pilot. Requires Program to assure PEBB and OEBB ability to maintain single risk pools, statewide rating approaches, and 3.4 percent cost growth target, to extent practicable. Adds representation from rural, frontier, or underserved areas to health equity fund advisory group. Specifies fixed rate of growth in global budgets for first five years of Program. Specifies stop-loss coverage amounts required to be included in risk mitigation strategy. Removes timeline for beginning of phase three of program and requires report to Legislative Assembly upon close of request for proposal period. Modifies due date of required Program evaluation and report to Legislative Assembly to following implementation of third phase. Sunsets program on January 2, 2034.

FISCAL: *Fiscal impact issued*

REVENUE: *No revenue impact*

BACKGROUND:

In 2012, Oregon initiated delivery system reforms for its Medicaid program, the Oregon Health Plan, through the passage of Senate 1580, which established the coordinated care model. In this model, coordinated care organizations (CCOs) are responsible for arranging for the delivery of physical, behavioral, and oral health

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services, with a focus on prevention and chronic disease management. CCOs are regional partnerships of health care providers, community members, and other stakeholders responsible for coordinating the delivery of services under a global budget that has a fixed rate of growth. Senate Bill 889 (2019) and House Bill 2081 (2021) have expanded these rate of growth thresholds to other sectors of the state's health care system. In 2021, the Legislative Assembly also passed House Bill 2010, which required the Oregon Health Authority to develop recommendations for a global budget health care delivery pilot. The [report](#) outlining that model, Aligning for Health (A4H), was delivered in July 2022. In its Strategic Direction plan, the Centers for Medicare and Medicaid Service's (CMS) Innovation Center has also identified multi-payer alignment as a critical strategy to achieve health system transformation.

House Bill 2878 would establish the Aligning for Health Pilot Program to test methods for alternative payment methods for health care services provided in Oregon.