

HB 2878 A STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

Action Date: 04/04/23

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 6-4-1-0

Yeas: 6 - Bowman, Dexter, Nelson, Nosse, Pham H, Tran

Nays: 4 - Conrad, Diehl, Goodwin, Morgan

Exc: 1 - Javadi

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Brian Nieuburt, LPRO Analyst

Meeting Dates: 3/22, 4/4

WHAT THE MEASURE DOES:

Establishes Aligning for Health Pilot Program (Pilot Program) administered by the Oregon Health Authority (OHA). Specifies Pilot 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 Pilot Program and prescribes requirements for phases and payers and purchasers participating in Pilot Program. Exempts payers participating in Pilot Program from requirements of Health Care Market Oversight program. Specifies requirements for OHA in administering Pilot Program, including allowable regulatory relief to given payers and providers and sufficient flexibility to provide incentives for innovation. Requires OHA to convene advisory group to make recommendations regarding required health equity fund. Specifies fixed rate of growth in global budgets for first five years of Pilot Program. Specifies stop-loss coverage amounts required to be included in risk mitigation strategy. Requires OHA to report to Legislative Assembly on responses received to request for proposals issued for Pilot Program. Requires OHA to complete formal evaluation of Pilot Program and submit report to Legislative Assembly following implementation of third phase. Sunsets program on January 2, 2034.

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:

Requires Oregon Health Authority to work collaboratively with Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB) on issuance of external contracts during first phase of Pilot Program. Clarifies prioritization considerations to be used for identifying regions to be included in Pilot Program. Clarifies initial contracts to be awarded in second phase of Pilot Program. Exempts payers participating in Pilot Program from requirements of Health Care Market Oversight program. Requires Pilot 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 Pilot Program. Specifies stop-loss coverage amounts required to be included in risk mitigation strategy. Removes timeline for beginning of phase three of

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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.

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 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 A establishes the Aligning for Health Pilot Program to test methods for alternative payment methods for health care services provided in Oregon.