HOUSE AMENDMENTS TO HOUSE BILL 2045

By COMMITTEE ON RULES

May 8

In line 2 of the printed bill, after "care" insert "; amending ORS 442.385 and 442.386".

Delete lines 4 through 8 and insert:

"**SECTION 1.** ORS 442.385 is amended to read:

"442.385. As used in this section and ORS 442.386:

"**(1) 'Frontline worker' means any worker whose total annual compensation is less than $200,000, adjusted annually to reflect any percentage changes in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor, excluding executive managers and salaried managers.**

"[*(1)*] **(2)** 'Health care' means items, services and supplies intended to improve or maintain human function or treat or ameliorate pain, disease, condition or injury, including but not limited to the following types of services:

"(a) Medical;

"(b) Behavioral;

"(c) Substance use disorder;

"(d) Mental health;

"(e) Surgical;

"(f) Optometric;

"(g) Dental;

"(h) Podiatric;

"(i) Chiropractic;

"(j) Psychiatric;

"(k) Pharmaceutical;

"(L) Therapeutic;

"(m) Preventive;

"(n) Rehabilitative;

"(o) Supportive; or

"(p) Geriatric.

"[*(2)*] **(3)** 'Health care cost growth' means the annual percentage change in total health expenditures in this state.

"[*(3)*] **(4)** 'Health care entity' means a payer or a provider.

"[*(4)*] **(5)** 'Health insurance' has the meaning given that term in ORS 731.162.

"[*(5)*] **(6)** 'Net cost of private health insurance' means the difference between health insurance premiums received by a payer and the claims for the cost of health care paid by the payer under a policy or certificate of health insurance.

“[*(6)*] **(7)** ‘Payer’ means:

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

“(b) A publicly funded health care program, including but not limited to Medicaid, Medicare and the State Children’s Health Insurance Program;

“(c) A third party administrator; and

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

“[*(7)*] **(8)** ‘Provider’ means an individual, organization or business entity that provides health care.

“**(9) ‘Total compensation’ means wages, benefits, salaries, bonuses and incentive payments provided to a frontline worker by a provider.**

“[*(8)(a)*] **(10)(a)** ‘Total health expenditures’ means all health care expenditures on behalf of residents of this state by public and private sources, including:

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

“(B) All payments to providers other than payments described in subparagraph (A) of this paragraph;

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

“(D) The net cost of private health insurance.

“(b) ‘Total health expenditures’ may include expenditures for care provided to out-of-state residents by in-state providers to the extent practicable.

“**SECTION 2.** ORS 442.386 is amended to read:

“442.386. (1) The Legislative Assembly intends to establish a health care cost growth target, for all providers and payers, to:

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

“(b) Build on the state’s existing efforts around health care payment reform and containment of health care costs; and

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

“(2) The Health Care Cost Growth Target program is established. The program shall be administered by the Oregon Health Authority in collaboration with the Department of Consumer and Business Services, subject to the oversight of the Oregon Health Policy Board. The program shall establish a health care cost growth target for increases in total health expenditures and shall review and modify the target on a periodic basis.

“(3) The health care cost growth target must:

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

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

“(c) Use established economic indicators; and

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

“(4) The program shall establish a methodology for calculating health care cost growth:

“(a) Statewide;

1 “(b) For each provider and payer, taking into account the health status of the patients of the
2 provider or the beneficiary of the payer; and
3 “(c) Per capita.
4 “(5)**(a)** The program shall establish requirements for providers and payers to report data and
5 other information necessary to calculate health care cost growth under subsection (4) of this section.
6 “**(b) Based on a methodology determined by the authority, each provider shall report**
7 **annually the provider’s aggregate amount of total compensation.**
8 “(6) Annually, the program shall:
9 “(a) Hold public hearings on the growth in total health expenditures in relation to the health
10 care cost growth in the previous calendar year;
11 “(b) Publish a report on health care costs and spending trends that includes:
12 “(A) Factors impacting costs and spending; and
13 “(B) Recommendations for strategies to improve the efficiency of the health care system; and
14 “(c) For providers and payers for which health care cost growth in the previous calendar year
15 exceeded the health care cost growth target:
16 “(A) Analyze the cause for exceeding the health care cost growth target; and
17 “(B) Require the provider or payer to develop and undertake a performance improvement plan.
18 “(7)(a) The authority shall adopt by rule criteria for waiving the requirement for a provider or
19 payer to undertake a performance improvement plan, if necessitated by unforeseen market condi-
20 tions or other equitable factors.
21 “(b) The authority shall collaborate with a provider or payer that is required to develop and
22 undertake a performance improvement plan by:
23 “(A) Providing a template for performance improvement plans, guidelines and a time frame for
24 submission of the plan;
25 “(B) Providing technical assistance such as webinars, office hours, consultation with technical
26 assistance providers or staff, or other guidance; and
27 “(C) Establishing a contact at the authority who can work with the provider or payer in devel-
28 oping the performance improvement plan.
29 “(8) A performance improvement plan must:
30 “(a) Identify key cost drivers and include concrete steps a provider or payer will take to address
31 the cost drivers;
32 “(b) Identify an appropriate time frame by which a provider or payer will reduce the cost drivers
33 and be subject to an evaluation by the authority; and
34 “(c) Have clear measurements of success.
35 “(9) The authority shall adopt by rule criteria for imposing a financial penalty on any provider
36 or payer that exceeds the cost growth target without reasonable cause in three out of five calendar
37 years or on any provider or payer that does not participate in the program. The criteria must be
38 based on the degree to which the provider or payer exceeded the target and other factors, including
39 but not limited to:
40 “(a) The size of the provider or payer organization;
41 “(b) The good faith efforts of the provider or payer to address health care costs;
42 “(c) The provider’s or payer’s cooperation with the authority or the department;
43 “(d) Overlapping penalties that may be imposed for failing to meet the target, such as require-
44 ments relating to medical loss ratios; and
45 “(e) A provider’s or payer’s overall performance in reducing cost across all markets served by

1 the provider or payer.

2 "**(10) A provider shall not be accountable for cost growth resulting from the provider's**
3 **total compensation.**".

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