

Senate Bill 1042

Sponsored by Senator HAYDEN; Senator BONHAM (at the request of Family Care)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Oregon Health Policy Board to produce and provide to interim committees of Legislative Assembly related to health by December 31, 2024, comprehensive report regarding success in achieving aims of Oregon Integrated and Coordinated Health Care Delivery System.

Modifies membership of board and specifies duties of chairperson of board. Requires appointment of executive director. Increases oversight and supervision responsibilities of board over Oregon Health Authority. Requires board to submit agency request budget for board. Puts Health Evidence Review Commission under auspices of board.

A BILL FOR AN ACT

1
2 Relating to the Oregon Health Policy Board; creating new provisions; and amending ORS 413.007,
3 413.008, 413.011, 413.032, 413.033, 414.570 and 414.688.

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

5 **SECTION 1. (1) The Oregon Health Policy Board shall produce a comprehensive report**
6 **on the Oregon Integrated and Coordinated Health Care Delivery System that includes ana-**
7 **lyses of the costs of the system and health outcomes and the success since 2012 in achieving:**

8 (a) **The goals of the system described in ORS 414.570 (1);**

9 (b) **Strategies described in ORS 414.570 (2);**

10 (c) **Payment reform and delivery system change as described in ORS 414.570 (3); and**

11 (d) **A reduction in health disparities and improved access to health care and improved**
12 **health outcomes for all Oregonians.**

13 (2) **No later than December 31, 2024, the board shall submit the report described in sub-**
14 **section (1) of this section, in the manner provided in ORS 192.245, to the interim committees**
15 **of the Legislative Assembly related to health.**

16 **SECTION 2. ORS 413.007 is amended to read:**

17 413.007. (1) The Oregon Health Policy Board consists of individuals who:

18 (a) Are United States citizens and residents of this state;

19 (b) Have demonstrated leadership skills in their professional and civic lives;

20 (c) To the greatest extent practicable, represent the various geographic, ethnic, gender, racial
21 and economic diversity of this state; and

22 (d) Collectively offer expertise, knowledge and experience in consumer advocacy, management
23 of a company that offers health insurance to its employees, public health, finance, organized labor,
24 health care and the operation of a small business, **including at least:**

25 (A) **One member who has expertise in health care delivery and finance, including experi-**
26 **ence in payment methodologies;**

27 (B) **One member who has expertise in behavioral health, substance use disorders, mental**
28 **health services and reimbursement of the cost of mental health service; and**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **(C) One member who has expertise in public health and strategies to address the social**
 2 **determinants of health.**

3 (2) No more than four members of the board may be individuals:

4 (a) Whose household incomes, during the individuals' tenure on the board or during the 12-month
 5 period prior to the individuals' appointment to the board, come from health care or from a health
 6 care related field; or

7 (b) Who receive health care benefits from a publicly funded state health benefit plan.

8 (3) No more than four members of the board may be, during the individuals' tenure on the board
 9 or during the 12-month period prior to the individuals' appointment to the board, employed in a
 10 health care or health care related field.

11 (4) At least one member of the board shall have an active license to provide health care in
 12 Oregon, **have experience as a primary care physician** and [shall] be appointed to serve in addi-
 13 tion to the members offering the expertise, knowledge and experience described in subsection (1)(d)
 14 of this section.

15 **(5) The Director of the Oregon Health Authority shall serve as a nonvoting ex officio**
 16 **member of the board.**

17 **(6) A majority of the members of the board constitutes a quorum for the transaction of**
 18 **business.**

19 **(7) The board shall meet at least once every month and shall meet at least once every**
 20 **two years in each congressional district in this state, at a place, day and hour determined**
 21 **by the board. The board may also meet at other times and places specified by the call of the**
 22 **chairperson or a majority of the members of the board, or as specified in bylaws adopted by**
 23 **the board.**

24 **SECTION 3.** ORS 413.008 is amended to read:

25 413.008. (1) The Governor shall select from the membership of the Oregon Health Policy Board
 26 the chairperson and vice chairperson.

27 [(2) A majority of the members of the board constitutes a quorum for the transaction of business.]

28 [(3) The board shall meet at least once every month and shall meet at least once every two years
 29 in each congressional district in this state, at a place, day and hour determined by the board. The
 30 board may also meet at other times and places specified by the call of the chairperson or a majority
 31 of the members of the board, or as specified in bylaws adopted by the board.]

32 **(2) The board shall appoint an executive director, by a majority vote. The executive di-**
 33 **rector, with the approval of the board, shall:**

34 **(a) Plan, direct, coordinate and execute all administrative functions of the board in ac-**
 35 **cordance with policies adopted by the board;**

36 **(b) Supervise and manage the performance of the board's statutory duties.**

37 **(c) Appoint all subordinate officers and employees of the board to provide clerical sup-**
 38 **port, advice and analysis to the board, prescribe their duties and fix their compensation,**
 39 **subject to the applicable provisions of the State Personnel Relations Law;**

40 **(d) Regularly report to the board on all operations that are within the control or super-**
 41 **vision of the board as provided in ORS 413.011; and**

42 **(e) Develop a biennial budget for all functions of the board, including oversight of the**
 43 **Health Evidence Review Commission, and file an agency request budget for the board with**
 44 **the Oregon Department of Administrative Services in accordance with ORS 291.208.**

45 **SECTION 4.** ORS 413.011 is amended to read:

1 413.011. (1) The duties of the Oregon Health Policy Board are to:

2 (a) **Advance the health care system transformation in this state and** be the policy-making
3 and oversight body for the Oregon Health Authority established in ORS 413.032 and all of the
4 authority's departmental divisions, **which includes but is not limited to providing oversight of:**

5 **(A) Rulemaking by the authority;**

6 **(B) The authority's compliance with federal and state requirements for the adminis-**
7 **tration of the medical assistance program, including compliance with requirements for en-**
8 **sureing an adequate network of physical, dental and behavioral health care providers;**

9 **(C) Contracts with coordinated care organizations;**

10 **(D) The authority's submission of approvals for waivers, demonstration projects or state**
11 **plan amendments or amendments to existing waivers or demonstration projects; and**

12 **(E) The authority's administration of the Health Care Cost Growth Target program.**

13 (b) Develop and submit a plan to the Legislative Assembly to provide and fund access to af-
14 fordable, quality health care for all Oregonians.

15 (c) Develop a program to provide health insurance premium assistance to all low and moderate
16 income individuals who are legal residents of Oregon.

17 (d) Publish health outcome and quality measure data collected by the Oregon Health Authority
18 at aggregate levels that do not disclose information otherwise protected by law. The information
19 published must report, for each coordinated care organization and each health benefit plan sold
20 through the health insurance exchange or offered by the Oregon Educators Benefit Board or the
21 Public Employees' Benefit Board:

22 (A) Quality measures;

23 (B) Costs;

24 (C) Health outcomes; and

25 (D) Other information that is necessary for members of the public to evaluate the value of health
26 services delivered by each coordinated care organization and by each health benefit plan.

27 (e) Establish evidence-based clinical standards and practice guidelines that may be used by
28 providers.

29 (f) Approve and monitor community-centered health initiatives described in ORS 413.032 (1)(h)
30 that are consistent with public health goals, strategies, programs and performance standards
31 adopted by the Oregon Health Policy Board to improve the health of all Oregonians, and to regu-
32 larly report to the Legislative Assembly on the accomplishments and needed changes to the initi-
33 atives.

34 (g) Establish cost containment mechanisms to reduce health care costs, **provide equitable ac-**
35 **cess to care, improve health outcomes and reduce health disparities.**

36 (h) Ensure that Oregon's health care workforce is sufficient in numbers and training to meet the
37 demand that will be created by the expansion in health coverage, health care system transforma-
38 tions, an increasingly diverse population and an aging workforce.

39 (i) Work with the Oregon congressional delegation to advance the adoption of changes in federal
40 law or policy to promote Oregon's comprehensive health reform plan.

41 (j) Establish a health benefit package in accordance with ORS 741.340 to be used as the baseline
42 for all health benefit plans offered through the health insurance exchange.

43 (k) Investigate and report annually to the Legislative Assembly on the feasibility and advis-
44 ability of future changes to the *[health insurance market]* **the health care delivery system in**
45 Oregon, including but not limited to the following:

1 (A) A requirement for every resident to have health insurance coverage.

2 (B) A payroll tax as a means to encourage employers to continue providing health insurance to
3 their employees.

4 (L) Meet cost-containment goals by structuring reimbursement rates to reward comprehensive
5 management of diseases, quality outcomes and the efficient use of resources by promoting cost-
6 effective procedures, services and programs including, without limitation, preventive health, dental
7 and primary care services, web-based office visits, telephone consultations and telemedicine consul-
8 tations.

9 (m) Oversee the expenditure of moneys from the Health Care Provider Incentive Fund to support
10 grants to primary care providers and rural health practitioners, to increase the number of primary
11 care educators and to support efforts to create and develop career ladder opportunities.

12 (n) Work with the Public Health Benefit Purchasers Committee, administrators of the medical
13 assistance program and the Department of Corrections to identify uniform contracting standards for
14 health benefit plans that achieve maximum quality and cost outcomes and align the contracting
15 standards for all state programs to the greatest extent practicable.

16 (o) Work with the Health Information Technology Oversight Council to foster health information
17 technology systems and practices that promote the Oregon Integrated and Coordinated Health Care
18 Delivery System established by ORS 414.570 and align health information technology systems and
19 practices across this state.

20 (2) The Oregon Health Policy Board is authorized to:

21 (a) Subject to the approval of the Governor, organize and reorganize the authority as the board
22 considers necessary to properly conduct the work of the authority.

23 (b) Submit directly to the Legislative Counsel, no later than October 1 of each even-numbered
24 year, requests for measures necessary to provide statutory authorization to carry out any of the
25 board's duties or to implement any of the board's recommendations. The measures may be filed prior
26 to the beginning of the legislative session in accordance with the rules of the House of Represen-
27 tatives and the Senate.

28 (3) If the board or the authority is unable to perform, in whole or in part, any of the duties
29 described in ORS 413.006 to 413.042 and 741.340 without federal approval, the authority is authorized
30 to request, in accordance with ORS 413.072, waivers or other approval necessary to perform those
31 duties. The authority shall implement any portions of those duties not requiring legislative authority
32 or federal approval, to the extent practicable.

33 (4) The enumeration of duties, functions and powers in this section is not intended to be exclu-
34 sive nor to limit the duties, functions and powers imposed on the board by ORS 413.006 to 413.042
35 and 741.340 and by other statutes.

36 (5) The board shall consult with the Department of Consumer and Business Services in com-
37 pleting the tasks set forth in subsection (1)(j) and (k)(A) of this section.

38 **SECTION 5.** ORS 413.032, as amended by section 3, chapter 87, Oregon Laws 2022, is amended
39 to read:

40 413.032. (1) The Oregon Health Authority is established. The authority shall, **subject to the**
41 **oversight and approval of the Oregon Health Policy Board:**

42 (a) Carry out policies adopted by the Oregon Health Policy Board;

43 (b) Administer the Oregon Integrated and Coordinated Health Care Delivery System established
44 in ORS 414.570, the COFA Premium Assistance Program established in ORS 413.610 and the COFA
45 Dental Program established in section 1, chapter 87, Oregon Laws 2022;

- 1 (c) Administer the Oregon Prescription Drug Program;
- 2 (d) Develop the policies for and the provision of publicly funded medical care and medical as-
- 3 sistance in this state;
- 4 (e) Develop the policies for and the provision of mental health treatment and treatment of ad-
- 5 dictions;
- 6 (f) Assess, promote and protect the health of the public as specified by state and federal law;
- 7 (g) Provide regular reports to the board with respect to the performance of health services
- 8 contractors serving recipients of medical assistance, including reports of trends in health services
- 9 and enrollee satisfaction;
- 10 (h) Guide and support, with the authorization of the board, community-centered health initiatives
- 11 designed to address critical risk factors, especially those that contribute to chronic disease;
- 12 (i) Be the state Medicaid agency for the administration of funds from Titles XIX and XXI of the
- 13 Social Security Act and administer medical assistance under ORS chapter 414;
- 14 (j) In consultation with the Director of the Department of Consumer and Business Services, pe-
- 15 riodically review and recommend standards and methodologies to the Legislative Assembly for:
- 16 (A) Review of administrative expenses of health insurers;
- 17 (B) Approval of rates; and
- 18 (C) Enforcement of rating rules adopted by the Department of Consumer and Business Services;
- 19 (k) Structure reimbursement rates for providers that serve recipients of medical assistance to
- 20 reward comprehensive management of diseases, quality outcomes and the efficient use of resources
- 21 and to promote cost-effective procedures, services and programs including, without limitation, pre-
- 22 ventive health, dental and primary care services, web-based office visits, telephone consultations and
- 23 telemedicine consultations;
- 24 (L) Guide and support community three-share agreements in which an employer, state or local
- 25 government and an individual all contribute a portion of a premium for a community-centered health
- 26 initiative or for insurance coverage;
- 27 (m) Develop, in consultation with the Department of Consumer and Business Services, one or
- 28 more products designed to provide more affordable options for the small group market;
- 29 (n) Implement policies and programs to expand the skilled, diverse workforce as described in
- 30 ORS 414.018 (4); and
- 31 (o) Implement a process for collecting the health outcome and quality measure data identified
- 32 by the Health Plan Quality Metrics Committee and the Behavioral Health Committee and report the
- 33 data to the Oregon Health Policy Board.
- 34 **(2) The board must approve all legislative concepts proposed by the authority before the**
- 35 **proposals may be submitted to the Governor under ORS 171.133.**
- 36 [(2)] (3) The Oregon Health Authority is authorized to:
- 37 (a) Create an all-claims, all-payer database to collect health care data and monitor and evaluate
- 38 health care reform in Oregon and to provide comparative cost and quality information to consumers,
- 39 providers and purchasers of health care about Oregon's health care systems and health plan net-
- 40 works in order to provide comparative information to consumers.
- 41 (b) Develop uniform contracting standards for the purchase of health care, including the fol-
- 42 lowing:
- 43 (A) Uniform quality standards and performance measures;
- 44 (B) Evidence-based guidelines for major chronic disease management and health care services
- 45 with unexplained variations in frequency or cost;

1 (C) Evidence-based effectiveness guidelines for select new technologies and medical equipment;

2 (D) A statewide drug formulary that may be used by publicly funded health benefit plans; and

3 (E) Standards that accept and consider tribal-based practices for mental health and substance
4 abuse prevention, counseling and treatment for persons who are Native American or Alaska Native
5 as equivalent to evidence-based practices.

6 [(3)] (4) The enumeration of duties, functions and powers in this section is not intended to be
7 exclusive nor to limit the duties, functions and powers imposed on or vested in the Oregon Health
8 Authority by ORS 413.006 to 413.042, 413.610 to 413.613, 415.012 to 415.430, 415.501, 741.001 to
9 741.540, 741.802 and 741.900 or by other statutes.

10 **SECTION 6.** ORS 413.033 is amended to read:

11 413.033. (1) The Oregon Health Authority is under the supervision and control of a director, who
12 is responsible for performing the duties, functions and powers of the authority.

13 (2) The Governor, **in consultation with the Oregon Health Policy Board**, shall appoint the
14 Director of the Oregon Health Authority, who holds office at the pleasure of the Governor. The
15 appointment of the director is subject to confirmation by the Senate in the manner provided by ORS
16 171.562 and 171.565.

17 (3) In addition to the procurement authority granted by ORS 279A.050 (6)(b) and except as pro-
18 vided in ORS 279A.050 (7), the director has all powers necessary to effectively and expeditiously
19 carry out the duties, functions and powers vested in the authority by ORS 413.032.

20 (4) The director shall have the power to obtain such other services as the director considers
21 necessary or desirable, including participation in organizations of state insurance supervisory offi-
22 cials and appointment of advisory committees. A member of an advisory committee so appointed may
23 not receive compensation for services as a member, but, subject to any other applicable law regu-
24 lating travel and other expenses of state officers, shall receive actual and necessary travel and other
25 expenses incurred in performing official duties.

26 (5) The director may apply for, receive and accept grants, gifts or other payments, including
27 property or services from any governmental or other public or private person, and may make ar-
28 rangement to use the receipts, including for undertaking special studies and other projects that re-
29 late to the costs of health care, access to health care, public health and health care reform.

30 **SECTION 7.** ORS 414.570 is amended to read:

31 414.570. (1) There is established the Oregon Integrated and Coordinated Health Care Delivery
32 System. The **goals of the** system [*shall consist of state policies and actions that*] **are to** make coor-
33 dinated care organizations accountable for care management and provision of integrated and coor-
34 dinated health care for each organization's members, managed within fixed global budgets, by
35 providing care so that efficiency and quality improvements reduce medical cost inflation while sup-
36 porting the development of regional and community accountability for the health of the residents
37 of each region and community, and while maintaining regulatory controls necessary to ensure
38 quality and affordable health care for all Oregonians.

39 (2) The Oregon Health Authority shall seek input from groups and individuals who are part of
40 underserved communities, including ethnically diverse populations, geographically isolated groups,
41 seniors, people with disabilities and people using mental health services, and shall also seek input
42 from providers, coordinated care organizations and communities, in the development of strategies
43 that promote person centered care and encourage healthy behaviors, healthy lifestyles and pre-
44 vention and wellness activities and promote the development of patients' skills in self-management
45 and illness management.

1 (3) The authority shall regularly report to the Oregon Health Policy Board, the Governor and
2 the Legislative Assembly on the progress of payment reform and delivery system change including:

- 3 (a) The achievement of benchmarks;
- 4 (b) Progress toward eliminating health disparities;
- 5 (c) Results of evaluations;
- 6 (d) Rules adopted;
- 7 (e) Customer satisfaction;
- 8 (f) Use of patient centered primary care homes and behavioral health homes;
- 9 (g) The involvement of local governments in governance and service delivery; and
- 10 (h) Other developments with respect to coordinated care organizations.

11 **SECTION 8.** ORS 414.688 is amended to read:

12 414.688. (1) As used in this section:

- 13 (a) "Practice of pharmacy" has the meaning given that term in ORS 689.005.
- 14 (b) "Retail drug outlet" has the meaning given that term in ORS 689.005.

15 (2) The Health Evidence Review Commission is established *[in]* **under the auspices of** the
16 Oregon Health *[Authority]* **Policy Board**, consisting of 13 members appointed by the Governor in
17 consultation with professional and other interested organizations, and confirmed by the Senate, as
18 follows:

19 (a) Five members must be physicians licensed to practice medicine in this state who have clin-
20 ical expertise in the areas of family medicine, internal medicine, obstetrics, perinatal health,
21 pediatrics, disabilities, geriatrics or general surgery. One of the physicians must be a doctor of
22 osteopathic medicine, and one must be a hospital representative or a physician whose practice is
23 significantly hospital-based.

24 (b) One member must be a dentist licensed under ORS chapter 679 who has clinical expertise
25 in general, pediatric or public health dentistry.

26 (c) One member must be a public health nurse.

27 (d) One member must be a behavioral health representative who may be a social services
28 worker, alcohol and drug treatment provider, psychologist or psychiatrist.

29 (e) Two members must be consumers of health care who are patient advocates or represent the
30 areas of indigent services, labor, business, education or corrections.

31 (f) One member must be a complementary or alternative medicine provider who is a chiropractic
32 physician licensed under ORS chapter 684, a naturopathic physician licensed under ORS chapter 685
33 or an acupuncturist licensed under ORS chapter 677.

34 (g) One member must be an insurance industry representative who may be a medical director
35 or other administrator.

36 (h) One member must be a pharmacy representative who engages in the practice of pharmacy
37 at a retail drug outlet.

38 (3) No more than six members of the commission may be physicians either in active practice or
39 retired from practice.

40 (4) Members of the commission serve for a term of four years at the pleasure of the Governor.
41 A member is eligible for reappointment.

42 (5) Members are not entitled to compensation, but may be reimbursed for actual and necessary
43 travel and other expenses incurred by them in the performance of their official duties in the manner
44 and amounts provided for in ORS 292.495. Claims for expenses shall be paid out of funds available
45 to the Oregon Health *[Authority]* **Policy Board** for purposes of the commission.

