

# Enrolled Senate Bill 1089

Sponsored by Senator MANNING JR, Representative NELSON, Senators PATTERSON, DEMBROW, FREDERICK, GOLDEN, JAMA, MEEK, PROZANSKI, STEINER, TAYLOR; Senators CAMPOS, GELSER BLOUIN, GORSEK, LIEBER, WOODS, Representatives BOWMAN, BYNUM, CHAICHI, DEXTER, GAMBA, GRAYBER, HELM, HOLVEY, LIVELY, MARSH, NOSSE, PHAM K, REYNOLDS, TRAN, WALTERS

CHAPTER .....

AN ACT

Relating to the Universal Health Plan Governance Board; and declaring an emergency.

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

**SECTION 1.** (1) **The Universal Health Plan Governance Board is established in the Department of Consumer and Business Services, consisting of nine members appointed by the Governor who must:**

- (a) **Support the objective of the board described in section 2 (2) of this 2023 Act;**
  - (b) **Support the values and principles expressed in section 2 (3)(a) and (b) of this 2023 Act;**
- and**

(c) **Represent a variety of health care professionals and community perspectives, including individuals with experience:**

- (A) **As enrollees in the state medical assistance program or Medicare; and**
- (B) **Being without health insurance coverage.**

**(2) Of the membership of the board:**

(a) **Five members must have expertise in health care delivery, health care finance, health care operations or public administration; and**

(b) **Four members must be focused on public engagement.**

(3) **The term of office of each member of the board is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on January 2 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.**

(4) **The appointment of each member of the board is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.**

(5) **A member of the board is entitled to compensation and reimbursement of actual and necessary travel and other expenses incurred by the member in the performance of the member's official duties in accordance with ORS 292.495.**

(6) **The board shall select one of its members as chairperson and another as vice chairperson, for terms and with duties and powers necessary for the performance of the functions of the offices as the board determines.**

(7) A majority of the members of the board constitutes a quorum for the transaction of business.

(8) The board shall meet at a time and place determined by the board. The board also may meet at other times and places specified by the call of the chairperson or of a majority of the members of the board.

(9) In accordance with applicable provisions of ORS chapter 183, the board may adopt rules necessary for the administration of the laws that the board is charged with administering.

(10)(a) The board may establish any advisory or technical committees the board considers necessary to aid and advise the board in the performance of its functions. The committees may be continuing or temporary committees. The board shall determine the representation, membership, terms and organization of the committees and shall appoint the members of the committees.

(b) Members of the committees are not entitled to compensation but, in the discretion of the board, may be reimbursed from funds available to the board for actual and necessary travel and other expenses incurred by the members in the performance of official duties in the manner and amount provided in ORS 292.495.

(11)(a) The board shall appoint an executive director to serve at the pleasure of the board, to be responsible for the administrative operations of the board and to perform such other duties as may be designated or assigned to the executive director from time to time by the board. The board shall fix the compensation of the executive director in accordance with ORS chapter 240.

(b) Subject to any applicable provisions of ORS chapter 240, the executive director shall appoint staff as needed for policy analysis and administrative support.

(c) The executive director shall contract with experts and consultants as necessary to carry out section 2 (3) of this 2023 Act.

**SECTION 2.** (1) As used in this section, "single payer health care financing system" means a universal system used by the state to pay the cost of health care services and goods in which:

(a) Institutional providers are paid directly for health care services or goods by the state or paid by an administrator that does not bear risk in contracting with the state;

(b) Institutional providers are paid with global budgets that separate capital budgets, established through regional planning, and operational budgets;

(c) Group practices are paid directly for health care services or goods by the state, by an administrator that does not bear risk in contracting with the state, by the employer of the group practice or by an institutional provider; and

(d) Individual health care providers are paid directly for health care services or goods by the state, by their employers, by an administrator that does not bear risk in contracting with the state, by an institutional provider or by a group practice.

(2) The Universal Health Plan Governance Board established in section 1 of this 2023 Act shall create a comprehensive plan to finance and administer a Universal Health Plan that is responsive to the needs and expectations of the residents of this state by:

(a) Improving the health status of individuals, families and communities;

(b) Defending against threats to the health of the residents of this state;

(c) Protecting individuals from the financial consequences of ill health;

(d) Providing equitable access to person-centered care;

(e) Removing cost as a barrier to accessing health care;

(f) Removing any financial incentive for a health care practitioner to provide care to one patient rather than another;

(g) Making it possible for individuals to participate in decisions affecting their health and the health system;

(h) Establishing measurable health care goals and guidelines that align with other state and federal health standards;

(i) Promoting continuous quality improvement and fostering interorganizational collaboration; and

(j) Focusing on coverage of evidence-based health care and services.

(3) In developing the comprehensive plan and the recommendations to the Legislative Assembly under subsection (4) of this section, the board shall:

(a) Consider, at a minimum, the following values:

(A) Health care, as a fundamental element of a just society, must be secured for all individuals on an equitable basis by public means, similar to public education, public safety and public infrastructure;

(B) Race, color, national origin, age, disability, wealth, income, citizenship status, primary language, genetic conditions, previous or existing medical conditions, religion or sex, including sex stereotyping, gender identity, sexual orientation and pregnancy and pregnancy-related medical conditions may not create barriers to health care nor result in disparities in health outcomes due to the lack of access to care;

(C) The components of the Universal Health Plan must be accountable and fully transparent to the public regarding information, decision-making and management through meaningful public participation; and

(D) Funding for the Universal Health Plan is a public trust and any savings or excess revenue must be returned to the public trust;

(b) Consider, at a minimum, the following principles:

(A) A participant in the Universal Health Plan may choose any individual provider who is licensed, certified or registered in this state or may choose any group practice;

(B) The plan may not discriminate against any individual health care provider who is licensed, certified or registered in this state to provide services covered by the plan and who is acting within the provider's scope of practice;

(C) A participant in the plan and the participant's health care provider shall determine, within the scope of services covered within each category of care and within the plan's parameters for standards of care and requirements for prior authorization, whether a service or good is medically necessary or medically appropriate for the participant; and

(D) The plan shall cover health care services and goods from birth to death, based on evidence-informed decisions as determined by the board;

(c) Assess the readiness of key health care and public institutions to carry out the plan and collaborate with state agencies, including the Oregon Health Authority and the Department of Human Services, to determine how the agencies' existing systems will integrate with the Universal Health Plan;

(d) Consider the recommendations of the Joint Task Force on Universal Health Care in the report approved by the task force on September 29, 2022, including the recommendations to establish a single payer health care financing system that are consistent with subsection (1) of this section;

(e) Identify statutory authorities and information technology infrastructure needed for overall plan operations;

(f) Evaluate how to work with the nine federally recognized Indian tribes in Oregon and existing boards, commissions and councils concerned with health care and health insurance;

(g) Work collaboratively with partners across the complexities of the health care system, including hospitals, health care providers, insurers and coordinated care organizations, to build a sustainable health care financing system that delivers care equitably;

(h) Engage with regional organizations to identify strategies to reduce the complexities and administrative burdens on participants in the health care workforce and to otherwise address workforce challenges;

(i) Study and address the impacts of the Universal Health Plan with respect to specific types of employers;

(j) Design the administrative and financing structure for the Universal Health Plan;

(k) Engage with the Governor's office, the Oregon Health Authority and federal authorities to ascertain and describe, if not yet in federal or state law, necessary federal waivers or other options to secure federal and state funding and to implement the Universal Health Plan;

(L) Include a plan to create a Universal Health Plan Trust Fund in the State Treasury, separate and distinct from the General Fund, consisting of moneys from all sources, public and private, that are allocated to or deposited to the Universal Health Plan Trust Fund for the purpose of financing the planning for and the administration and operation of the Universal Health Plan by the Universal Health Plan Governance Board, with any moneys in the Universal Health Plan Trust Fund at the end of the biennium being retained in the Universal Health Plan Trust Fund;

(m) Include a plan to create an independent public corporation that shall exercise and carry out all powers, rights and privileges that are:

(A) Expressly conferred upon the board;

(B) Incident to such powers, rights and privileges; or

(C) Implied by law; and

(n) Ensure that the proposed plan will include all Oregon residents equitably.

(4) No later than September 15, 2026, the Universal Health Plan Governance Board shall present to the interim committees of the Legislative Assembly related to health, in the manner provided in ORS 192.245, and to the Governor, a comprehensive plan for the implementation of the Universal Health Plan.

**SECTION 3.** (1) The Universal Health Plan Governance Board shall provide a status report no later than December 1 of each year, beginning in 2024, to the interim committees of the Legislative Assembly related to health, on the progress in the development of the comprehensive plan and any needed legislative changes.

(2) The report need not be in compliance with ORS 192.245.

**SECTION 4.** (1) Notwithstanding the term of office specified by section 1 of this 2023 Act, of the members first appointed to the Universal Health Plan Governance Board:

(a) Two shall serve for terms ending January 2, 2025.

(b) Two shall serve for terms ending January 2, 2026.

(c) Two shall serve for terms ending January 2, 2027.

(d) Three shall serve for terms ending January 2, 2028.

(2) Notwithstanding section 1 (11) of this 2023 Act, the Governor shall appoint an executive director of the board and fix the compensation of the executive director in accordance with ORS chapter 240 without undue delay after the effective date of this 2023 Act who shall serve at the pleasure of the Governor until the full board has been appointed by the Governor and confirmed by the Senate.

**SECTION 5.** Section 2 of this 2023 Act is amended to read:

**Sec. 2.** (1) As used in this section, "single payer health care financing system" means a universal system used by the state to pay the cost of health care services and goods in which:

(a) Institutional providers are paid directly for health care services or goods by the state or paid by an administrator that does not bear risk in contracting with the state;

(b) Institutional providers are paid with global budgets that separate capital budgets, established through regional planning, and operational budgets;

(c) Group practices are paid directly for health care services or goods by the state, by an administrator that does not bear risk in contracting with the state, by the employer of the group practice or by an institutional provider; and

(d) Individual health care providers are paid directly for health care services or goods by the state, by their employers, by an administrator that does not bear risk in contracting with the state, by an institutional provider or by a group practice.

(2) The Universal Health Plan Governance Board established in section 1 of this 2023 Act shall create a comprehensive plan to finance and administer a Universal Health Plan that is responsive to the needs and expectations of the residents of this state by:

- (a) Improving the health status of individuals, families and communities;
- (b) Defending against threats to the health of the residents of this state;
- (c) Protecting individuals from the financial consequences of ill health;
- (d) Providing equitable access to person-centered care;
- (e) Removing cost as a barrier to accessing health care;
- (f) Removing any financial incentive for a health care practitioner to provide care to one patient rather than another;
- (g) Making it possible for individuals to participate in decisions affecting their health and the health system;
- (h) Establishing measurable health care goals and guidelines that align with other state and federal health standards;
- (i) Promoting continuous quality improvement and fostering interorganizational collaboration; and
- (j) Focusing on coverage of evidence-based health care and services.

(3) In developing the comprehensive plan [*and the recommendations to the Legislative Assembly under subsection (4) of this section*], the board shall:

- (a) Consider, at a minimum, the following values:
  - (A) Health care, as a fundamental element of a just society, must be secured for all individuals on an equitable basis by public means, similar to public education, public safety and public infrastructure;
  - (B) Race, color, national origin, age, disability, wealth, income, citizenship status, primary language, genetic conditions, previous or existing medical conditions, religion or sex, including sex stereotyping, gender identity, sexual orientation and pregnancy and pregnancy-related medical conditions may not create barriers to health care nor result in disparities in health outcomes due to the lack of access to care;
  - (C) The components of the Universal Health Plan must be accountable and fully transparent to the public regarding information, decision-making and management through meaningful public participation; and
  - (D) Funding for the Universal Health Plan is a public trust and any savings or excess revenue must be returned to the public trust;
- (b) Consider, at a minimum, the following principles:
  - (A) A participant in the Universal Health Plan may choose any individual provider who is licensed, certified or registered in this state or may choose any group practice;
  - (B) The plan may not discriminate against any individual health care provider who is licensed, certified or registered in this state to provide services covered by the plan and who is acting within the provider's scope of practice;
  - (C) A participant in the plan and the participant's health care provider shall determine, within the scope of services covered within each category of care and within the plan's parameters for standards of care and requirements for prior authorization, whether a service or good is medically necessary or medically appropriate for the participant; and
  - (D) The plan shall cover health care services and goods from birth to death, based on evidence-informed decisions as determined by the board;

(c) Assess the readiness of key health care and public institutions to carry out the plan and collaborate with state agencies, including the Oregon Health Authority and the Department of Human Services, to determine how the agencies' existing systems will integrate with the Universal Health Plan;

*[(d) Consider the recommendations of the Joint Task Force on Universal Health Care in the report approved by the task force on September 29, 2022, including the recommendations to establish a single payer health care financing system that are consistent with subsection (1) of this section;]*

*[(e)] (d) Identify statutory authorities and information technology infrastructure needed for overall plan operations;*

*[(f)] (e) Evaluate how to work with the nine federally recognized Indian tribes in Oregon and existing boards, commissions and councils concerned with health care and health insurance;*

*[(g)] (f) Work collaboratively with partners across the complexities of the health care system, including hospitals, health care providers, insurers and coordinated care organizations, to **identify strategies that allow employers the choice to continue offering benefits, establish a revenue system in which employers would contribute to the cost of health care for all Oregonians while retaining the flexibility to offer self-funded health plans to employees and** build a sustainable health care financing system that delivers care equitably;*

*[(h)] (g) Engage with regional organizations to identify strategies to reduce the complexities and administrative burdens on participants in the health care workforce and to otherwise address workforce challenges;*

*[(i)] (h) Study and address the impacts of the Universal Health Plan with respect to specific types of employers;*

*[(j)] (i) Design the administrative and financing structure for the Universal Health Plan;*

*[(k)] (j) Engage with the Governor's office, the Oregon Health Authority and federal authorities to ascertain and describe, if not yet in federal or state law, necessary federal waivers or other options to secure federal and state funding and to implement the Universal Health Plan;*

*[(L)] (k) Include a plan to create a Universal Health Plan Trust Fund in the State Treasury, separate and distinct from the General Fund, consisting of moneys from all sources, public and private, that are allocated to or deposited to the Universal Health Plan Trust Fund for the purpose of financing the planning for and the administration and operation of the Universal Health Plan by the Universal Health Plan Governance Board, with any moneys in the Universal Health Plan Trust Fund at the end of the biennium being retained in the Universal Health Plan Trust Fund;*

*[(m)] (L) Include a plan to create an independent public corporation that shall exercise and carry out all powers, rights and privileges that are:*

*(A) Expressly conferred upon the board;*

*(B) Incident to such powers, rights and privileges; or*

*(C) Implied by law; and*

*[(n)] (m) Ensure that the proposed plan will include all Oregon residents equitably.*

*[(4) No later than September 15, 2026, the Universal Health Plan Governance Board shall present to the interim committees of the Legislative Assembly related to health, in the manner provided in ORS 192.245, and to the Governor, a comprehensive plan for the implementation of the Universal Health Plan.]*

**SECTION 6. The amendments to section 2 of this 2023 Act by section 5 of this 2023 Act become operative on January 2, 2028.**

**SECTION 7. Section 4 of this 2023 Act is repealed on January 2, 2028.**

**SECTION 8. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Consumer and Business Services, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$1,442,576, which may be expended for establishing the Universal Health Plan Governance Board.**

**SECTION 9. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Health Authority, for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$412,870, which may be expended for supporting the work of the Universal Health Plan Governance Board.**

**SECTION 10. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.**

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**Passed by Senate June 20, 2023**

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Lori L. Brocker, Secretary of Senate

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Rob Wagner, President of Senate

**Passed by House June 23, 2023**

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Dan Rayfield, Speaker of House

**Received by Governor:**

.....M,....., 2023

**Approved:**

.....M,....., 2023

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Tina Kotek, Governor

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

.....M,....., 2023

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Secretary of State