

## **INFORMATION FOR LEGISLATIVE CONTACT TEAMS REGARDING 2017 BILLS**

12/5/2016 version

### **RAND report on financing – HB 3260 (2013) and HB 2828(2015)**

#### **Status:**

The RAND report is now expected to be released the week of January 9, 2016.

#### **Explanation:**

The legislature, with HB 3260 in 2013, authorized the Oregon Health Authority (OHA) to contract for a study of healthcare financing in Oregon. The study was not funded until HB 2828 in 2015, and not contracted to the RAND corporation until June 2016.

#### **Message:**

Preliminary versions of the study seemed to miss some of the major economic benefits of a single-payer system (SP), but still showed SP could remove financial barriers to healthcare without increasing overall costs. Legislators should learn that we expect them to continue to move towards their stated goal of universal healthcare, and the study clearly shows SP is an affordable way to achieve that, so they need to explore how such a system can be implemented in Oregon.

### **Task Force on single-payer policy**

#### **Status:**

A preliminary version of this bill has been submitted to legislative counsel. Details will depend on the RAND report. We will push for a funded task force, and explore a cheaper work group since the rejection of Measure 97 makes funding scarce.

#### **Explanation:**

We are proposing the creation of a task force to develop broad structure and policy recommendations as a framework for implementing a health care system following a publicly financed SP model, using information from the RAND report. The task force is an important follow up to the RAND report, which is mainly studying financing, unlikely to have much detail about implementation. We will clarify task force questions when we see the results of the RAND study.

#### **Message:**

The task force bill is likely our most critical legislation in 2017. This is the easiest path for legislators to not waste the taxpayer money they spent on the RAND study.

### **SB 631 revised (currently LC 1029)**

#### **Status:**

SB 631 has been revised, improved, and pre-session filed as LC 1029.

#### **Explanation:**

This bill describes how a single-payer health care system could be implemented for the state, but funding details will need information from the RAND report. We intend to get a hearing before the senate health care committee and will explore a hearing before the house health care committee.

#### **Message:**

Our intent is to have all returning sponsors of SB 631 sign on to the bill and to add more co-sponsors.

### **CORRECTING COORDINATED CARE ORGANIZATIONS DEFICIENCIES**

#### **Status:**

Rep. Greenlick has filed a bill that will get serious consideration in 2017.

#### **Explanation:**

Rep. Greenlick developed HB 4100 for the 2016 session and will introduce a version for 2017. The bill is intended to correct some problems with the coordinated care organizations (CCOs). It requires CCOs to be

community-based nonprofit organizations by a future date, to have membership of governing boards reflective of local control, distribute at least 80% of payments to providers using alternative payment methodologies, and hold CCO restricted reserves in an escrow account in the State Treasury.

**Message:**

These CCO reforms will likely be critical for HCAO Action's future plans. CCO's currently serve 25% of Oregonians and will need to be effective community organizations if they are to continue in a SP system. We will be pushing for additional improvements beyond what Greenlick has proposed, including standardized accounting requirements and limitations on administrative (non-health) spending.

**COVER ALL KIDS**

**Status:**

Developed by the Oregon Health Equity Alliance (OHEA), of which HCAO is a member, is ready to be taken seriously in the 2017 session.

**Explanation:**

The bill would allow all children in Oregon to be eligible for government supported health coverage if family income justifies support – most importantly, it adds undocumented children to those eligible (roughly 18,000 children).

**Message:**

HCAO Action is a coalition partner advocating for this important move towards universal coverage.

**NONPROFIT HOSPITAL REQUIREMENTS**

**Status:**

SEIU and Rep. Mitch Greenlick have worked together to draft LC 0291, clarifying non-profit hospital community benefits requirements.

**Explanation:**

The bill establishes some community benefit requirements for nonprofit hospitals. HCAO Action will push for stronger requirements than currently described in the bill, but does not yet have specific language.

**Message:**

Oregon needs enforceable community benefit requirements for hospitals, and there is a general need for nonprofit to have real meaning when applied to healthcare providers.

**DRUG PRICING BILL**

**Status:**

Rep. Rob Nosse convened a work group to look at what the state can do about high cost drugs, and LC 1285 is the result. Disease groups that have very high cost drugs have been leading the effort, with HCAO a part of the process.

**Explanation:**

For some chronic diseases, effective drugs that need to be used for the rest of one's life cost tens of thousands per year. The ACA limits out of pocket expenses to \$6,850 for those over 250% of poverty level (less for those with less income), but that is still a large amount to pay and it puts a large burden on insurance companies covering those with these chronic diseases. LC 1285 limits patient costs for drugs, as well limiting what insurance companies must pay to the pharmaceutical industry. It also has transparency provisions. PhRMA is adamantly opposed to nearly all of the provisions in the proposal.

**Message:**

It is likely that the proposal will be modified, but there will probably be a bill that HCAO Action will support. Whether it is a small improvement for a few patients or a major change is yet to be determined.