

**March 6, 2011****Loan Repayment and Transformation Initiative Pass the First Step**

The House Health Committee sent the Loan Repayment bill (**HB 2400**) and the Transformation Initiative (**HB 2391**) to Ways and Means with a strong recommendation for funding. "When we send something to Ways and Means it represents an extraordinary thing," Rep. Mitch Greenlick said.

Legislators on the committee are concerned because they know how hard it will be to find funding in Ways and Means. But Rep. Julie Parrish (R-Tualatin) said, "Our policy committee has to say 'We value this.'"

The committee delayed action on the Loan Forgiveness bill (**HB 2397**). Amendments are being drafted and the bill is scheduled to be heard on Monday.

These bills will then be parked in Ways and Means until late in the session when decisions are made on the budget and legislation that costs money.

**Rural Malpractice Subsidy – SB 608**

The Senate Judiciary Committee heard testimony in favor of the malpractice subsidy from Sen. Alan Bates (D-Ashland), the Office of Rural Health, a nurse practitioner in Lincoln City and a physician in Burns.

Kevin Johnston, MD told the Committee "the liability piece is one of the most critical," allowing him to practice family medicine and deliver babies in a rural community. If Burns loses its physicians, "it's not going to change people getting sick or pregnant. It's going to change our being able to provide services to our community," he said.

Marlene Dissette, a Family Nurse Practitioner emphasized the importance of the malpractice subsidy for her clinic in Lincoln City, saying "without our practice, many patients would end up in the ER" because they would lose their access to primary care.

Sen. Jeff Kruse (R-Roseburg) told the Committee, "This is a good bill" and he hopes they move it to Ways and Means as soon as possible. Sen. Doug Whitsett (R-Klamath Falls) said the malpractice subsidy "is essential to our senate district," talking about how devastating it would be to his community if they lose practitioners who deliver babies.

**Direct Provider Pay – SB 329**

Sen. Alan Bates (D-Ashland) asked the General Government, Small Business and Consumer Protection Committee to seriously consider SB 329, which would require insurance carriers to pay providers directly. A proposed amendment would require direct payment even if a provider is outside the carrier's "provider base." The CEO of Willamette Surgery Center and Hope Orthopedics of Oregon in Salem testified in support of the bill. He said that with deeper provider cuts, the last thing providers need are additional cash-flow problems caused by insurers reimbursing patients who delay in paying their providers.

Regence plans to testify on the bill on Monday.

### **HB 2371 – Vaccine Training**

Rep. Nancy Nathanson (D-Eugene) urged the House Health Committee to support HB 2371, saying it “will reduce medical errors and is essential to provide protection for our citizens.” The bill would require medical staff to complete online training about proper vaccine storage and would require facilities that administer vaccines paid for through taxes to track where they go.

Representatives from public health offices and Providence testified in support of the bill. A registered nurse from Lane County asked the committee to fund the bill if they support it, out of concern that physicians and others might stop vaccinating if the rules get too complicated, as she said has happened on the East Coast.

### **HB 2368 – Medical Imaging Workgroup**

Rep. Nancy Nathanson (D-Eugene) wants to set up a workgroup to figure out how to lower the use of MRIs and x-rays. The bill “is about risk and health as much as it is about reducing cost,” she said. Rep. Jim Thompson (R-Dallas) commented, “It seems like we really need tort reform and not this workgroup. Workgroups are a great way to stall” dealing with the underlying issue of defensive medicine.

### **Oregon Psychiatric Access Line for Kids (OPAL-K) – SB 631**

The Oregon Pediatric Society is working with psychiatrists to develop a phone support network for primary care providers to get the mental health consults they need for their patients. The genesis for this program was in patient-centered primary care homes that talked about how to integrate behavioral health into primary care.

In testimony to the Senate Health Committee, supporters said 30 percent of primary care visits involve mental health and 20 percent of children meet the criteria for a mental health disorder.

Under the OPAL-K model, a primary care provider would call a 2-1-1 operator, be transferred to a qualified mental health practitioner and based on the needs, either be connected to peer support services through NAMI or the Oregon Family Support Network (OFSN), or be referred to a child psychiatrist. Psychiatrists in the program would be available for same-day consultations.

Supporters say the program would save money through early identification, reduced emergency room visits, decreased psychotropic drug use and increased care coordination.

The plan is for a two-year demonstration project in four regions of the state. They want it to be part of the new regionalized health services model as it’s being developed this session. Long term funding for OPAL-K is anticipated to be a mix of public-private dollars.

The initial funding request is for \$1.8 million.

### **Insurance Exchange Discussion Continues – SB 99**

Rocky King from the Oregon Health Authority told the Senate Health Reform Subcommittee that when this session ends, they will have 18 months to set up the Insurance Exchange. “The feds will certify whether we are ready to go on January 1, 2013. If we aren’t, the feds will set up our Exchange,” he said.

King laid out some of the OHA’s operating assumptions about the Exchange:

- Any carrier can participate; carriers won’t be excluded.
- Plans must meet certain standards for eligibility.
- There will be a dual market.

- Voluntary participation by individuals and small groups.
- Agents are an important consumer resource. The Exchange plans training and certification of agents so they understand how the system works.
- DCBS is the regulator, not the Exchange.

Rep. Mitch Greenlick (D-Portland) questioned that asking, "Is that because God created DCBS as the regulator?" Greenlick went on to say, "DCBS is not doing the job on regulation" though he later qualified that saying, "That may be too strong a statement."

The Subcommittee plans to continue work on amendments to the Exchange bill in the weeks ahead.

### **Transformation Team Week 5 – Accountable Care Organizations**

The Oregon Health Authority unveiled a draft legislative concept that did away with the notion of regionalization but focused instead on locally developed accountable care organizations. ACOs are defined as "a single integrated organization that accepts responsibility for the cost within its global budget and for delivery, management and quality of the full continuum of care delivered to the specific population enrolled with the ACO."

Sen. Alan Bates (D-Medford) commented, "MCOs are going to become our future ACOs." Others anticipate that new 501c3 organizations will be created by local communities to act as ACOs.

The Transformation Team will spend the next few weeks refining the legislative concept. Sen. Frank Morse (R-Albany) said this legislation may not pass without tort reform. "It would be irresponsible to do this without tort reform," he said.

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