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**LEGISLATIVE UPDATE**

Prepared for OAFP

**June 19, 2011****Adjournment This Week?**

We can only hope. Agreement last Friday to move 14 education bills to the floor for votes clears one major hurdle. Legislators still need to close a \$20 million hole in the Department of Corrections budget. There is also the health transformation bill and a major capital construction bond package to be done. But the list of what has to be done before sine die is short.

**House Passes Loan Forgiveness – HB 2397**

The House unanimously approved HB 2397, creating a loan forgiveness program for medical students who are willing to commit to practicing in rural Oregon. There was no discussion and no debate before the House voted 60-0, sending the bill to the Senate for debate.

**Insurance Overpayment Recovery – SB 860**

This new amendment changes from 24 months to 18 months the length of time an insurer has to recover overpayment on a billing from a physician or other health care provider. The 18-month limit also applies to providers seeking to collect underpayment from insurers. In addition, the bill amends the “timely filing” statute so providers could bill the appropriate insurer within 12 months after the denial of the claim or request for refund from the previous insurer.

The Oregon Medical Association (OMA), Ambulatory Surgery Centers and health insurers agreed to these new timelines.

The Senate Rules Committee approved the amendment, sending it to the Senate floor for debate. OMA has the same language in another bill, HB 2679, which it thinks is more likely to pass.

**Health Transformation – HB 3650**

One of the still-to-be-completed pieces of legislation before adjournment is the health care transformation that legislators have been working on since February. The idea is to create a structure so local communities can form coordinated care organizations (CCOs) that bring together the delivery of physical, mental, dental and public health. The budget presumes \$240 million in general funds savings, during the second year of the biennium, from CCO implementation.

A number of amendments to the bill are circulating:

- 39 are the most comprehensive,
- 40 are reportedly SEIU's and require collective bargaining for community health workers,
- 41 are a scaled-down planning proposal that would bring all of the major decisions back to the February 2012 session.

Some question whether a bill is needed at all. They say HB 2009 from the 2009 session gave the Oregon Health Authority the legal authority it needs to make most of these changes.

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