



NEWS

Oregon Legislature - House Democratic Caucus

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House Passes Health Care Transformation Bill

HB 3650 aims to achieve better health outcomes and cost savings in the Oregon Health Plan

SALEM – The Oregon House today passed HB 3650, the Health Care Transformation Bill, designed to achieve better health outcomes and cost savings in the Oregon Health Plan. The bill, which passed 59-1, will lead to the creation of Coordinated Care Organizations (CCOs) that will keep health care costs down mostly through vastly improved coordination of care among all the levels of service available to keep a patient healthy. The bill is a key priority of the Oregon House Democrats and Governor John Kitzhaber.

“We all have a stake in improving health care for Oregonians who count on the Oregon Health Plan for their health care. While some local communities have done a good job finding innovative ways to do things better, there hasn’t yet been a statewide plan. This bill will put Oregon on the path to improving the Oregon Health Plan for better care and lower costs,” said Representative Tina Kotek (D-N/NE Portland), who helped develop the legislation.

The bill requires the Oregon Health Authority (OHA) to develop CCO qualification criteria, a global budgeting process and a contract dispute process which shall be presented to the Legislature for approval in February 2012. CCOs will be accountable for care management within a fixed global budget.

The bill also requires the OHA to develop recommendations for actions to contain health care costs that address overutilization due to defensive medicine. To keep costs down, OHA will develop, and apply for Federal waivers for payment methodologies that reimburse providers based on outcomes rather than volume; limit increases in medical costs; and promote prevention.

“This bill is a very important bill, and not simply for the savings. This bill moves us forward in dealing with the health care crisis in Oregon,” said Representative Mitch Greenlick (D-NW Portland). “Under this bill patients will get better care from a more rationally organized system.”

CCOs will hire and train their own community health workers and personal health navigators, or they can choose to employ a workforce trained and registered with the Home Care Commission. The OHA will establish the standards for this workforce.

HB 3650 now moves to the Senate for consideration.

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