



SENATE MAJORITY OFFICE

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Health Care Transformation bill receives Senate support *HB 3650 will transform Oregon's Health Care system*

SALEM – The Oregon Senate approved landmark legislation this evening that creates a new approach to health care, improving the way Oregon serves the state's 600,000 Medicaid beneficiaries while also cutting costs. HB 3650, often called the Health Care Transformation bill, is the product of many health care experts, the public, and a bipartisan group of legislators who met weekly throughout session with the goal of achieving better health outcomes by integrating and coordinating health care and using a global budget to control costs.

“By coordinating physical health care with mental health, addiction services, and oral health, this bill will save money, save lives, and redirect the state's focus to smart, preventative care,” said Senator Alan Bates (D-Medford), a practicing family physician of 35 years who helped lead the transformation movement from its inception. “This transformation will keep more Oregonians out of costly emergency room visits for chronic conditions and allow patients to receive better, more comprehensive care.”

HB 3650 is the blueprint for a new delivery system that will provide care to Medicaid beneficiaries through locally accountable coordinated care organizations (CCOs). The CCOs will be responsible for managing fixed global budgets to provide health care to individuals within each CCO's area. The CCO criteria that will be established include:

- Provide choice, independence, and dignity;
- Provide assistance in navigating the health care delivery system and accessing community and social supports;
- Provide services that are geographically located as close as possible to where their members reside; and
- Provide a choice of providers within the CCO's network, including specialty providers.

“This transformation of how health care is provided in Oregon will save taxpayer dollars while providing greater comprehensive and preventative care for low-income and elderly Oregonians,” said Senator Laurie Monnes Anderson (D-Gresham), a retired public health nurse who chaired the Special Joint Committee on Healthcare Transformation. “This is a major step toward addressing the spiraling costs of health care that have put tremendous pressure on all other public services.”

Together with SB 99, creating Oregon's Health Insurance Exchange, the health care transformation bill is

critical to streamlining health care, lowering costs by coordinating care, and ensuring access for more individuals and small businesses. These health care reforms are a major piece of closing Oregon's \$3.5 billion budget gap for the biennium.

"These are significant measures that build on Senate Democrats' work over several sessions to expand access to affordable health care for all Oregonians," said Senate Majority Leader Diane Rosenbaum (D-Portland). "During the 2007 and 2009 sessions, we made monumental progress toward expanding access to health care while addressing the systemic flaws that drive up costs. Today, we take another major step forward in addressing the health care crisis that affects all Oregon families and small businesses."

The Legislature will closely monitor the transformation effort and, if it works as anticipated, it could be a model for reducing costs and improve care beyond the Medicaid system. The bill now goes to the Governor.

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