
LEGISLATIVE UPDATE

Prepared for OAFP

May 25, 2018

Legislative Days

The legislature convened this week for what are called “legislative days.” This time is used to hold informational hearings on potential legislation, hear reports from state agencies or follow up on previously passed legislation during the interim.

HB 4301 – Small Business Tax Break Passes in One-Day Special Session

The Governor called the legislature back into special session for one day to give sole proprietors that have at least one W-2 employee the same tax break that some other small businesses enjoy.

Republicans like Rep. Mike McLane (R-Powell Butte) objected, calling the special session “political theater” but mostly voted for the bill. “There was no input from the minority party. It was a ‘take it or leave it’ deal from the Governor,” he said.

The challenge for Democratic leadership was keeping the special session to just this one issue and fending off amendments that would have expanded the number of eligible businesses and/or reducing the small business tax break for others to make it revenue neutral.

Legislative Revenue estimates that 12,000 Oregon businesses will qualify for this tax break and it will cost the state \$11 million in revenue this year.

Rep. Phil Barnhart said, ‘I don’t know why sole proprietors were left out of the 2013 small business tax cut to begin with.’

The bill passed 51 – 8 in the House and 18 -12 in the Senate.

The tax break is effective this tax year, so sole proprietors that qualify can use it when they file their 2018 state taxes.

2019 Rate Review Process Update

Rate change requests from health insurance carriers were filed a week ago ranging from a 9.6% decrease to a 16.3% increase. For reference, final approved rates last year varied between increases of 3.5% and 19.2%. The rate review process will be completed and final rates for 2019 announced in July.

Insurance Commissioner Andrew Stolfi says carriers are maintaining their coverage areas next year, and that Kaiser is expanding into Lane County, while PacificSource is moving into Lane and Yamhill counties.

Sen. Laurie Monnes Anderson (D-Gresham) says that the main concern she hears is about high deductibles.

Sen. Lee Beyer (D-Springfield) echoed this sentiment saying he gets complaints that people have insurance but can’t use it. “This creates the illusion of access.”

DCBS Director Cameron Smith told the Committee, “It is not lost on us that for most Oregonians, paying a large portion of their take home pay for health care is difficult, especially for those not receiving government subsidies.”

CCO 2.0 Policy Options

The Governor has set four priority areas for the Oregon Health Policy Board to provide recommendations on while developing the model for the next round of CCOs:

- Continue to contain cost
- Improve behavioral health
- Focusing on social determinants of health and health equity
- Continue paying for performance

With these focus areas in mind, the Oregon Health Authority (OHA) has held close to 40 public meetings, trying to engage stakeholders and gather feedback. From these conversations, some questions have come up.

For example, should we install a floor on value-based payments? Should we define social determinants of health spending, or require CCOs to spend a certain amount of money on mitigating them? Can we align Community Health Improvement Plans to provide the blueprint for SDOH spending?

Jeremy Vandehey, Director of the Division of Health Policy and Analytics at the OHA says, “The challenge frankly going forward is going to be some tension between how prescriptive we are with CCOs as to where they play in the social determinants space versus being really clear about outcomes, and allowing them to get there and recognizing they will have to bring partners to the table to address some of those things.” So I can’t say where exactly we will land, but these are the types of questions we’ve been kicking around.”

Sen. Elizabeth Steiner Hayward (D-Beaverton) noted that we should think about an experimental metric for assessing for social determinants of health. “Is there a role for them to play in coordinating services for people around social determinants of health?”

Vandehey responded “absolutely,” but the trick will be deciding how we get the desired outcomes.

The OHA request for application will be released in January of 2019. They expect to accept applications from organizations with a current operational footprint in Oregon. They will set a bar, and if those organizations can meet it, they will maintain their contracts.

Assessing ACEs in the Clinical Setting and Early Childhood Education

There is a laundry list of mental health problems, physical health problems and risky health behaviors, that are correlated to one’s ACE score, Teri Pettersen, a former pediatrician now with Trauma Informed Oregon, told the Senate Health Committee this week.

Much of her career was spent addressing risk factors for cardiovascular disease such as high blood pressure, high cholesterol and not getting enough exercise. “It turns out that the single biggest contributing factor early in life for having a heart attack is having a high ACE score.” The benefits of focusing on early childhood trauma are myriad, says Pettersen. “If we were able to prevent abuse and neglect in Oregon we would significantly improve our population health, period.”

Some of the barriers for assessing ACEs in the clinic setting are perceived lack of time, attitudes among clinicians that they are not trained to do this type of work, and lack of quality metrics related to trauma. “Child abuse and neglect is not historically aligned with healthcare promotion, but in my opinion, it should be.”

Patrice Altenhofen, Executive Director of Family Building Blocks, presented to the Committee as well, drawing the connection between early childhood education, child abuse prevention and long-term health outcomes. “We have just scratched the surface

on collecting ACEs data on Relief Nursery families. We know that in one of our largest programs, the average ACE score for parents is around 6, which can translate into a 20-year shorter lifespan. While this is very sobering, we know that people are not statistics and individuals chart their own course through life. And while we cannot change what happened to a parent as a child, we can directly impact what that parent’s child experiences.”

“This topic has so much inter-sectionality between health, education, human services. We wonder about our poor high school graduation rate. We wonder about the amount of kids who end up in our foster care system. We wonder about the costs associated with our Medicaid program. All of those intersect with this topic” said Sen. Elizabeth Steiner Hayward (D-Beaverton).

Committee Chair Laurie Monnes Anderson (D-Gresham) asked legislative staff to recommend the presentation to both the Senate Education and Human Services Committees.

OHA Claws Back \$41M in CCO Overpayments

The Oregon Health Authority has sent bills to the CCOs and Dental Care Organizations to recoup payments for dual-eligibles who signed up when the CCOs were created. OHA Director Pat Allen says they ultimately determined that this was a \$41M problem. The CCO overpayments being recouped include:

Advanced Health	\$1.2M
AllCare	\$2.4M
Care Oregon	\$62,730
Cascade Health Alliance	\$752,267
Columbia Pacific	\$1.5M
Eastern Oregon	\$2.5M
FamilyCare	\$3.7M
Health Share	\$11M
Intercommunity Health	\$2.7M
Jackson Care Connect	\$1.7M
PacificSource – Gorge	\$581,443
PacificSource – Central	\$3M
Primary Health of Josephine Co	\$543,749
Trillium	\$4M
Umpqua Health Alliance	\$1.3M
Willamette Valley Community Health	\$3.8M
Yamhill Community Care	\$831,612

OHA plans to collect all the recoupments by the end of the year.

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