Senate Bill 678

Sponsored by Senator BATES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.


A BILL FOR AN ACT

Relating to hospitals; amending ORS 414.743; and repealing section 7, chapter 886, Oregon Laws 2009.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 414.743 is amended to read:

414.743. (1) Except as provided in subsection (2) of this section, a coordinated care organization that does not have a contract with a hospital to provide inpatient or outpatient hospital services under [ORS 414.631, 414.651 and 414.688 to 414.745 must, using Medicare payment methodology, reimburse the noncontracting hospital for services provided to an enrollee of the plan at a rate no less than a percentage of the Medicare reimbursement rate for those services. The percentage of the Medicare reimbursement rate that is used to determine the reimbursement rate under this subsection is equal to four percentage points less than the percentage of Medicare cost used by the Authority in calculating the base hospital capitation payment to the plan, excluding any supplemental payments] this chapter must reimburse the noncontracting hospital for services provided to a member of the organization at the rate adopted by the Oregon Health Authority by rule in accordance with subsection (5) of this section.

(2)(a) If a coordinated care organization does not have a contract with a hospital, and the hospital provides less than 10 percent of the hospital admissions and outpatient hospital services to [enrollees] members of the organization, the [percentage of the Medicare reimbursement rate that is used to determine the reimbursement rate under subsection (1) of this section is equal to two percentage points less than the percentage of Medicare cost used by the Oregon Health Authority in calculating the base hospital capitation payment to the organization, excluding any supplemental payments] reimbursement rate paid to the noncontracting hospital for services provided to members of the organization shall be two percentage points less than the rate described in subsection (1) of this section.

(b) This subsection is not intended to discourage a coordinated care organization and a hospital from entering into a contract and is intended to apply to hospitals that provide primarily, but not exclusively, specialty and emergency care to [enrollees] members of the organization.

(3) A hospital that does not have a contract with a coordinated care organization to provide inpatient or outpatient hospital services under [ORS 414.631, 414.651 and 414.688 to 414.745] this
chapter must accept as payment in full for hospital services the rates described in subsections (1) and (2) of this section.

(4) This section does not apply to [type A and type B hospitals, as described in ORS 442.470, and] rural critical access hospitals, as defined in ORS 315.613.

(5)(a) The Oregon Health Authority shall adopt [rules to implement and administer this section] by rule the rate that must be paid under subsection (1) of this section. The rate shall be equal to four percentage points less than the percentage of Medicare cost used by the authority in calculating the base hospital capitation payment to a coordinated care organization, excluding any supplemental payments.

(b) Beginning twelve months after the effective date of this 2015 Act, and every twelve months thereafter, the authority shall increase the reimbursement rate established in paragraph (a) of this subsection by three percent and adjust the rate that must be paid under subsection (2) of this section accordingly.

SECTION 2. Section 7, chapter 886, Oregon Laws 2009, as amended by section 2, chapter 27, Oregon Laws 2013, is repealed.