

OMA Legislative Committee Update

September 10, 2009

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OMA Legislative Committee Agenda

1. **Welcome and Call to Order (Lace)**
2. **Approval of Minutes (Lace)**
3. **New Business (Boehringer/Dresser)**
 1. Federal Health Reform Update
 2. January Special Election
 3. Legislative Interim Activities
 1. Revenue Forecast
 2. Committee Schedules
 3. Health Policy Board
 4. Prescription Monitoring Commission
 4. Legislators Coming and Goings
 5. Statewide Road Trips
 6. 2011 Legislative Issues
4. **Next Meeting Date - Thursday, November 19, 2009**
5. **Adjourn (Lace)**



Federal Healthcare Reform

OMA's Position:

- We support health care reform efforts that provide universal health care coverage, access and services for all Oregonians regardless of economic status.
- Reform should create pluralistic delivery systems that promote appropriate and fair competition rather than policies that favor one delivery system of care over another.
- We support using state and federal resources to provide all Oregonians access to an adequate level (or basic benefit package) of medical services while enabling individuals to be responsible for their own medical needs.
- Because there continues to be multiple versions of the federal health reform proposals, the OMA has not and will not take a position on any one proposal. Instead the OMA will offer comments to guide the Members of Congress in formulating a final proposal that will reflect what is important to our members and the patients they serve.



Federal Healthcare Reform

What we like:

- Pledge to cover all Americans through health insurance market reforms
- Choice of plans through a health insurance exchange
- An end to coverage denials based on pre-existing conditions
- Erasing the flawed SGR debt and replacing it with more favorable expenditure targets for Medicare physician updates
- Efficiency bonus payments for physicians in low-cost localities
- Chronic disease management and care coordination through additional funding for primary care services, without imposing offsetting payment reductions on specialty care



Federal Healthcare Reform

What we like (Continued):

- Initiatives to address physician work force concerns
- Individual responsibility for health insurance, including premium assistance to those who need it
- Prevention and wellness initiatives to help keep Americans healthy
- Improvements to the Physician Quality Reporting Initiative that will enable greater participation by physicians
- Significant payment and delivery reforms by encouraging participation in new models such as accountable care organizations and the patient-centered medical homes



Federal Healthcare Reform

What is missing/what needs to be modified:

- Health reform and true cost containment can't be achieved unless medical liability reform is included in the proposal. Health courts, safe harbors for physicians that follow best practices and other reforms should be included.
- A public option insurance plan that offers reimbursement rates tied to the Medicare rate is unacceptable, especially in a low cost, high-efficiency state like Oregon.
- Reform cannot be successful without concurrent reform of the Medicare System. The OMA supports eliminating the geographic adjuster (GPCI) from Medicare, and replacing it with a figure that measures value with regards to both quality and cost of care. This change would incentivize high quality, low cost care, and in turn benefit physicians and patients in states like Oregon.
- Any changes in Medicare reimbursement that do not address the geographical disparity in Medicare payments for low cost states like Oregon would further exacerbate the funding inequity that currently plagues Oregon physicians. This disparity is a significant barrier to recruiting and retaining physicians in Oregon, particularly in rural and other underserved areas.



Federal Healthcare Reform

Recent Developments –

- Sept. 9, 2009 - President Obama's Healthcare Speech to Congress
- Sept. 8, 2009 - Senate Finance Committee Chairman, Sen. Max Baucus D-MT, releases a "framework" for discussion with his "bipartisan six" working group.
 - No public Option
 - State Co-ops
 - high-cost insurance excise tax
 - Individual insurance mandate
- Sept. 8, 2009 – House Speaker, Nancy Pelosi D-CA, comments that the public option is still essential to passing the House healthcare reform bill.
- Sept. 8, 2009 – House Majority Leader, Steny Hoyer D-MD, made comments suggesting the Public Option will need to be dropped to pass the bill.
- Sept. 8, 2009 – Congressman Mike Ross D-AR , the "Blue Dog" Democrats point person on health care, comments that he will not support a public option.



Federal Healthcare Reform Process

● The House of Representatives

- The House has completed mark-up of H.R. 3200, "America's Affordable Health Choices Act."
- The original version was substantially amended in the House Energy and Commerce Committee to accommodate proposals by the conservative "Blue Dog" Democrats and the liberal "Congressional Progressives Caucus."
- The House will now merge the proposals from the Committees on Energy and Commerce, Ways and Means, and Education and Labor for consideration by the full House of Representatives.

● The Senate

- The Senate Health, Education, Labor and Pensions (HELP) Committee has voted out its health reform bill
- The Senate Finance Committee is still working on their version of the bill. .
- Like the House, when the Senate has both versions out of committee, they will merge the proposals together for a floor vote.

● Conference Committee

- Once the House and the Senate have passed their respective bills, the bills will be sent to a joint Senate and House conference committee to once again be merged into a proposal that both chambers can support.
- The Conference Report must go back to both Chambers for final approval.

● President Obama

- After conference, the proposal will be sent to the President for his approval or veto. Obviously, the Congress still has considerable work to do before any "final" versions of this proposal emerge.



January Special Election

- Two Bills passed by Legislature during session
 - Increase Corporate Minimum net income over \$250,000
 - Increase Personal Income Tax on net income from \$125,000 to \$250,000
- Opponents have until September 25th to turn in 55,000 valid signatures to place both proposals on the ballot
- Election would be January 25, 2010
- OMA and OMPAC will not be taking a position on these measures
- To get information:
 - Proponents of the tax legislation - Defend Oregon www.defendoregon.org
 - Opponents of the tax legislation - Oregonians Against Job Killing Taxes www.stopjobkillingtaxes.com



Legislative Interim Activities

September Revenue Forecast Highlights

- \$139 Million Short – No cuts needed at this time, Ending Balances can absorb this amount
- Economy not in a “free fall” and economist are seeing the recession end and a slow recovery begin
- One forecast risk: H1N1 – If predictions of 20-40% of the workforce becoming sick, this could be a major disruption to the economy and cause stress on the health care structure.



Legislative Interim Activities

Legislative Interim Committee Meetings

- In an effort to save money, each legislative committees will only meet 3 times
- Interim committees will meet during the following three day periods.
 - September 29-October 1, 2009
 - November 17-19, 2009
 - January 12-14, 2010
- 9/30/09 Interim Senate Healthcare Committee
- The Supplemental Session is expected to begin February 1 and end February 26, 2010



Legislative Interim Activities

On 9/1, the Governor submitted his Oregon Health Policy Board recommendations to the Senate. The Senate will consider the appointments in committee on 9/29 and approve the recommendations on 10/1

- Eric Parsons (Chair), CFO Standard Insurance Company, Portland
- Lillian Shirley, RN (Vice Chair), Director of the Multnomah County Health Department, Portland
- Michael Bonetto, Board Chair of HealthMatters of Central Oregon, Bend
- Eileen Brady, Co-Founder New Seasons Market, Former OHFB Member, Portland
- Dr. Carlos Crespo, Director of the School of Community Health at the College of Urban and Public Affairs at PSU, Portland
- Felisa Hagins, Political Director at SEIU Local 49, Portland
- Dr. Charles Hofmann, OMA Member, Internal Medicine Physician, Former OHFB Member, Baker City
- Dr. Joe Robertson, OMA Member, OHSU President, Portland
- Nita Werner, President, Ornelas Enterprises, Inc., Beaverton



Legislative Interim Activities

Health Policy Board Timeline

- Once the OHPB is approved by the Senate, they will begin meeting immediately to start organizing their tasks.
- Major Deadlines
 - **Oct. 1, 2010** - OHPB submits draft concepts to LC for drafting. (Including concept for Oregon Health Exchange)
 - **Dec. 31, 2010** - OHPB & OHA submits plans to the Legislature with recommended policies and procedures for the Oregon Health Insurance Exchange and the publicly owned health benefit plan.
 - **June 30, 2011** - All duties, powers and functions from respective agencies are transferred to OHA
 - **2015** - Implementation of plan



Health Policy Board Tasks

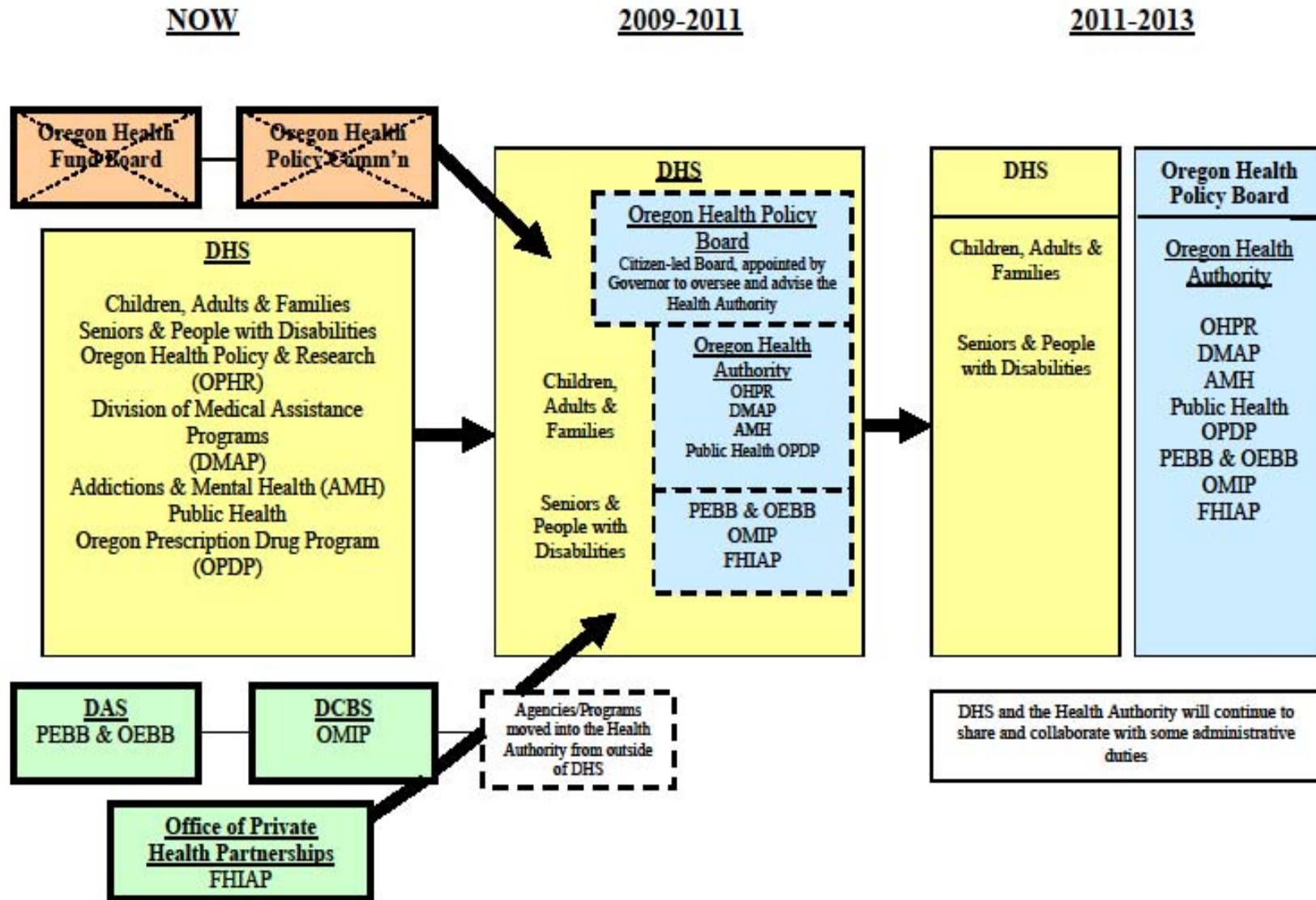
Health Policy Board and Health Authority will develop:

- Health Insurance Exchange
- Baseline & Public Plan
- Statewide health care quality standards
- Evidence based clinical standards
- Cost containment mechanisms to reduce health care costs
- Ensure Oregon's health care workforce is sufficient in numbers and training to meet demand for health care

Health Policy Board and Health Authority will implement:

- Health Insurance Rate Review
- Patient-Centered Primary Care Home (HB3418)
- Health Information Technology Oversight Council (SB452)
- Health Care Workforce Data Collection
- POLST Registry (SB451)
- All Claims, All-Payer Database (SB453)

HB 2009 STRUCTURAL TRANSITION TIMELINE





Legislative Interim Activities

Prescription Monitoring Commission

- DHS has started to organize the Commission
- OMA recommended Dr. Karleen Swarztrauber – Board Certified in Neurology and Pain Management

Psychologist Prescriptive Authority Workgroup

- Psychiatrists - Dr. George Keepers and Dr. Norwood Knight-Richardson
- Primary Care Physician: Dr. L.J. Fagnan



Legislators Coming and Going

Senate District 7 – Eugene

- Senator Vicki Walker resigns and moves to State Parole Board
- Rep. Chris Edwards has been appointed

House District 14 – Eugene

- Rep. Edwards has moved to the Senate
- Possible Replacement: Carol Horne Dennis, a Lane Education Service District Board member, Val Hoyle, Director of United Way of Lane County's health care initiative

Senate District 22 - Portland

- Senator Margaret Carter resigns and moves to DHS
- Possible Replacement: Rep. Chip Shields, Former Rep. Joanne Bowman

House District 35 – Tigard

- Rep. Larry Galizio resigns and moves to OUS
- Possible Replacement: Education activist Margaret Doherty, 58, of Tigard, and attorney Dylan Hydes, 31, of Portland

Senate District 6 – Springfield

- Sen. Bill Morrisette retiring



Statewide Road Trips

- Grassroots/Legislative Outreach Trips are still being developed
- Grassroots outreach component will be piggy backed on President's County Medical Society Tour
 - MSMP - Wednesday, 9/23/2009
 - Lane County - Wednesday, 9/30/2009
 - Central Oregon - Monday, 10/12/2009
 - Jackson County - Wednesday, 10/21/2009
 - Klamath County - Tuesday, 1/12/2010
 - Marion-Polk County - Thursday, 1/21/2010
 - Douglas County - Thursday, 1/21/2010



2011 OMA Legislative Issues

Concepts Under Consideration

- Silent PPOs (SB 509)
- Preauthorization (SB 506)
- Prompt Pay (HB 2824)
- Physician Profiling and Insurers Ratings
- Public Health Initiative
- Medical Staff
 - Economic Credentialing
 - Peer Review
 - Independence
- Disruptive Physicians
- Non-Compete Clauses
- Timely Filing Modification
- Liability Reform – Grassroots Effort and Concept Development
- Other Suggestions?



Upcoming Meetings

Saturday and Sunday, Oct. 3 and 4, 2009 – OMA House of Delegates Meeting and Fall Political Forum

Saturday, Oct. 3rd – OMPAC Reception with Governor John Kitzhaber

Thursday, November 19, 2009 – OMA Legislative Committee



Other Business?