

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING
A Statement of Need and Fiscal Impact accompanies this form.

| | | |
|---|-------------------------------------|----------------|
| Oregon Health Authority (OHA), Division of Medical Assistance Programs (Division) | 410 | |
| Agency and Division | Administrative Rules Chapter Number | |
| Sandy Cafourek | 500 Summer St NE, Salem, OR 97301 | (503) 945-6430 |
| Rules Coordinator | Address | Telephone |

RULE CAPTION

Establish an Incentive Payment Program for Hospitals Meeting Specific Performance Standards
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

| | | | |
|--------------------|------------|--|------------------|
| Septmeber 16, 2014 | 10:30 a.m. | 500 Summer St. NE, Salem, OR 97301 Room 137B | Sandy Cafourek |
| Hearing Date | Time | Location | Hearings Officer |

Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

ADOPT: 410-125-0160 *2 SC 8/18/14*

AMEND:

REPEAL:

RENUMBER:

AMEND & RENUMBER:

Stat. Auth. : ORS 414.746

Other Auth.:

Stats. Implemented: ORS 414.065

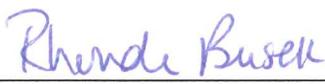
RULE SUMMARY

Establish the Hospital Transformation Performance Program (HTPP) that will allow hospitals to earn incentive payments by meeting specific performance standards that advance health systems transformation, reduce hospital costs, and improve patient safety.

The agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

September 18, 2014 by 5 p.m. Send written comments to: dmap.rules@state.or.us

Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator)

| | | |
|---|--|----------------|
|  |  | <i>9-31-14</i> |
| Signature | Printed name | Date |

Note: Hearing Notices must be submitted by the 15th day of the month to be published in the next month's *Oregon Bulletin*.

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Health Authority, Division of Medical Assistance Programs (Division)

410

Agency and Division

Administrative Rules Chapter Number

Establish an Incentive Payment Program for Hospitals Meeting Specific Performance Standards

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: The proposed adoption of administrative rules that govern payment for Hospital Service Program. DMAP will adopt 410-125-0160. *2 SC 8/18/14*

Statutory Authority: ORS 414.746

Other Authority:

Stats. Implemented: ORS 414.065

Need for the Rule(s): *2*

OAR 410-125-0160 will establish the Hospital Transformation Performance Program (HTPP) that will allow hospitals to earn incentive payments by meeting specific performance standards that advance health systems transformation, reduce hospital costs, and improve patient safety.

Documents Relied Upon, and where they are available: None

Fiscal and Economic Impact: The division anticipates no significant fiscal or economic impact on the public, units of local government, small businesses, or the general public.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

This will have no impact on state agencies, public or local government.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

This doesn't affect small businesses.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: None

c. Equipment, supplies, labor and increased administration required for compliance:

None anticipated.

How were small businesses involved in the development of this rule? This does not impact small business.

Administrative Rule Advisory Committee consulted?: Yes.

If not, why?:

Rhonda Busek

Signature

Rhonda Busek

Printed name

7-31-14

Date

Hospital Transformation Performance Program

(1) The Hospital Transformation Performance Program (HTPP) is established by the Oregon Health Authority (Authority) to allow hospitals to earn incentive payments by meeting specific performance standards that advance health systems transformation, reduce hospital costs, and improve patient safety.

The total amount of funds available through the program is equal to the federal financial participation received from one-percentage point of the assessment. Hospitals that pay an assessment on their net patient revenue, as required by OAR 410-050-0870, are eligible to participate.

The performance standards shall be established by the Authority based on recommendations of the Hospital Performance Advisory Committee (Committee) and as approved by the Centers for Medicare and Medicaid Services (CMS). The Committee shall be appointed by the Authority director and comprise four hospital representatives, two Coordinated Care Organization (CCO) representatives, and three members with expertise in measuring health outcomes.

(2) To qualify for incentive payments, eligible hospitals must meet the performance standards and measures as determined by the Authority.

(3) The Authority will:

(a) Establish baselines and targets for performance measures;

(b) Post the data specs and formats, forms to be used, schedule and frequency of data submission, frequency of incentive distributions, and other technical information on the Authority's website once determined;

(c) Analyze performance data submitted by hospitals;

(d) Determine if hospitals achieve targeted goals or demonstrate sufficient improvement to qualify for incentive payments; and

(e) Distribute incentive payments to performing hospitals.

Stat. Auth.: ORS 414.746

Stats. Implemented: ORS 414.065