
Health Care Market Oversight (HCMO) Program

Rules Advisory Committee meeting

July 25, 2022



Welcome & Agenda

1. Housekeeping and announcements
2. Brief program introduction
3. Topic #1 – Essential health care services
 - *Input from Committee members and the public*
4. Topic #2 – Program fees
 - *Input from Committee members and the public*
5. Topic #3 – All other rule changes
 - *Input from Committee members and the public*
6. Committee input & public comment on any topic

Housekeeping & Announcements

- This meeting is being *recorded* and will be posted on the program website
- For technical assistance, send a direct message to Pete Edlund
- When providing input, please state your name and organization you represent, if applicable

Submit written comments no later than September 21 to HCMO.info@odhsoha.oregon.gov

Structure of Meeting

- Today staff from OHA will describe the program and the rules updates
- After Committee members provide input, staff will ask the public for any input
- Each public commenter will have two minutes for each section. A person may provide input about more than one topic

Introduction to the Program

The Health Care Market Oversight program reviews proposed business deals to make sure they will help – and not hurt – Oregon's shared goals of **health equity, lower consumer costs, increased access, and better care**

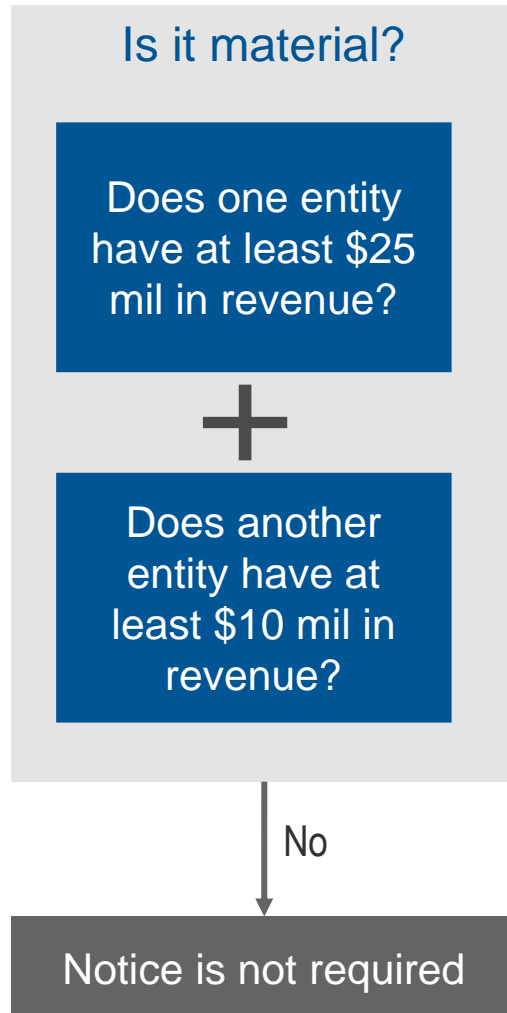
The program applies to mergers, acquisitions, and other business deals that involve health care entities and meet certain criteria

Merger - businesses combine into one entity

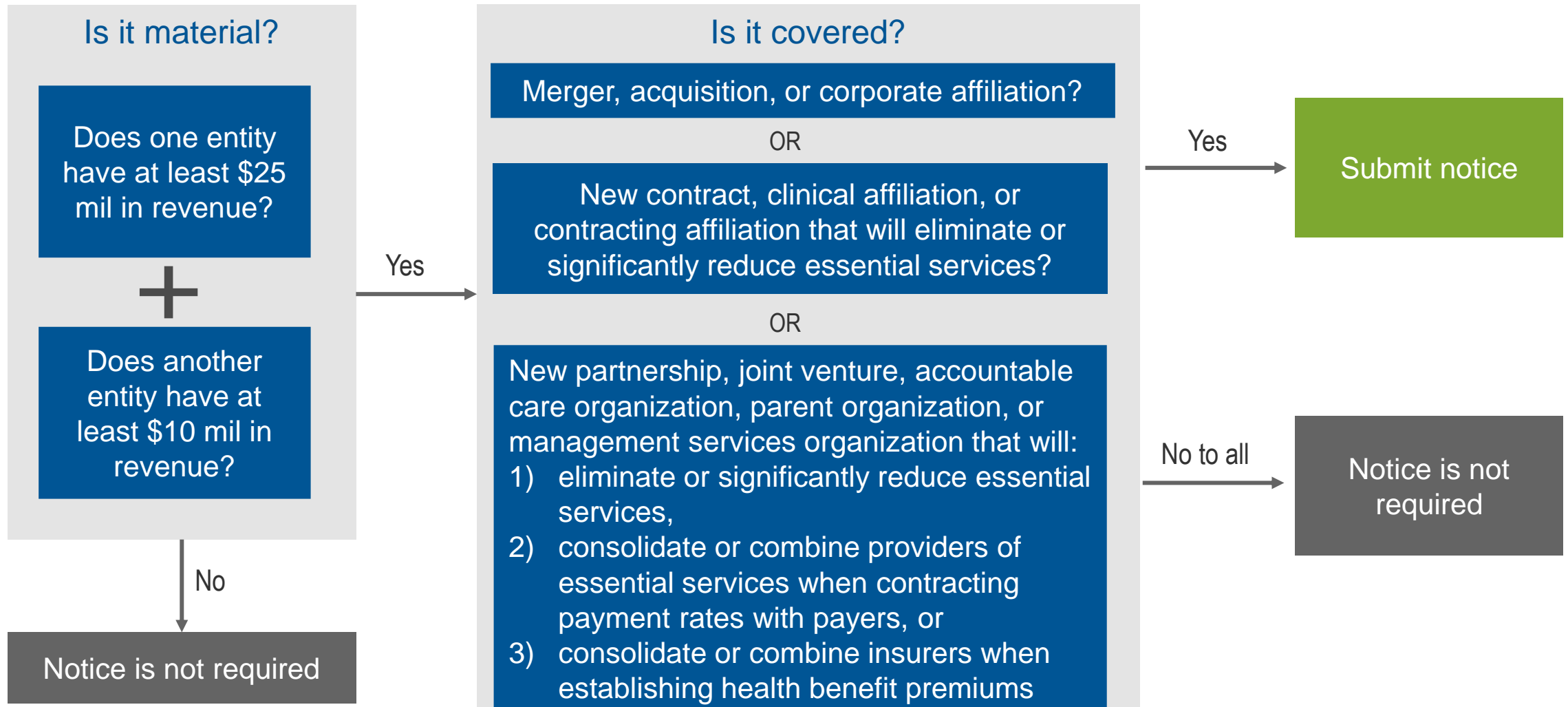
Acquisition - one business buys another business

Affiliation - businesses otherwise partner or combine resources

What transactions are subject to review?



What transactions are subject to review?



Topic 1 – Health care services essential to achieve health equity

Background

The Oregon Revised Statute (ORS) 415.500(2) – states

“Essential services” means: (a) Services that are funded on the prioritized list described in ORS 414.690; and (b) Services that are essential to achieve health equity.

Many services are currently funded on the prioritized list:

- Primary care
- Visits to the emergency room
- Pregnancy services
- Surgeries
- And much more

For more information,
see this link to
[Oregon’s prioritized list](#)

Proposed Changes

In addition to services funded on the prioritized list, the proposed rules add:

“Services that are essential to achieve health equity” means

(A) Any service directly related to the treatment of a chronic condition;

(B) Pregnancy-related services;

(C) Prevention services including non-clinical services; or

(D) Health care system navigation and care coordination services

Current guidance documents include this definition

What do you think of this addition to OAR 409-070-0005?

Public Comment



Break – 10 minutes

Topic 2 – Program fees

Background

The statute - ORS 415.512(1) – states

“The Oregon Health Authority shall prescribe by rule a fee to be paid under ORS 415.501(3), proportionate to the size of the parties to the transaction, sufficient to reimburse the costs of administering [the program]”

There were no program fees in 2022

Proposed Changes

To align with statute, proposed rules now include program fees to start January 1, 2023

- 30-day preliminary review of a transaction: \$2,000
- 180-day comprehensive review of a transaction: sliding scale based on size of the smaller entity (or the 2nd largest entity)
- Every two years, fees increase by 10%

What do you think of these changes to OAR 409-070-0030?

Public Comment *about any topic*



Topic 3 – All other changes

Background

Before the program began, representatives of health care entities requested that program details in sub-regulatory documents be added to the rules.

The currently proposed rules do just that.

Note:

On the following slides OAR stands for Oregon Administrative Rule, which governs how the program operates

Proposed changes

1. For clarity, added definitions for “business entity” and “hospital system”. Added language to the definitions for “health care entity” and “revenue”. (OAR 409-070-0005)
2. Incorporated language from sub-regulatory guidance into the rule about “a significant reduction of services” (OAR 409-070-0010(3))
3. Added clarity about a “newly organized legal entity” (OAR 409-070-0015)
4. Added language about when OHA will publish information about emergency transactions (OAR 409-070-0022(8))
5. Added updated references (OAR 409-070-0035(1)(a)(B), 409-070-0045(2), 409-070-0065(1), and 409-070-0080(2)).

Proposed changes

6. For clarity, added new language about when OHA will publish the notice and when the Authority will complete the preliminary review (OAR 409-070-0055(1) and (4))
7. For clarity, created a new rule about Community Review Board. Removed language from OAR 409-070-0060 and placed in 409-070-0062.
8. Removed language about the first year of the program that is no longer applicable (OAR 409-070-0085)

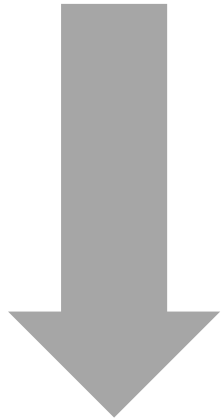
What do you think of these changes?

Public Comment *about any topic*



Rules Timeline

*OHA continues
to accept &
consider input*



Today - July 25, 2022	Rules Advisory Committee meeting
Aug 2022	Notify Legislators & file notice with Secretary of State
Sept 1, 2022	Publish in Secretary of State bulletin
Sept 20, 2022	Rules Hearing
Sept 21, 2022	Last day for public comment
Oct 15, 2022	File final rule with Secretary of State
Jan 1, 2023	Rules effective date

What Comes Next?

- **How to provide additional feedback:**
Send written input to HCMO.info@odhsoha.Oregon.gov
- Staff will publish all written feedback on the program website (<https://hcmo.oregon.gov>)
- OHA staff will notify all RAC members and interested parties via a GovDelivery email with information about the Rules Hearing in September

Thank You

The logo for the Oregon Health Authority. It features the word "Oregon" in a smaller, orange, serif font positioned above the word "Health", which is in a larger, blue, serif font. Below "Health" is the word "Authority" in a smaller, orange, serif font. A thin blue horizontal line is positioned just above the "Authority" text.

Oregon
Health
Authority