

03 OHS Legislative Update

3.1 Landscape

Legislative Landscape Themes (1 of 2)

Health Care Transactions involving Private Equity

- **Gov. Bill (HB 6873)**– Notice of Material Change
- **Legislative Bills (various)**– Proposed limitations and/or banning Private Equity and Real Estate Investment Trust ownership

Certificate of Need

- **OHS Bill (HB 7050)**– Program revisions
- **Committee Bill (SB 1539)**– improve transparency and create expedited review

Cost Growth Benchmark

- **OHS Bill (HB 7115)**– Cost Growth Benchmark program revisions
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Legislative Landscape Themes (2of 2)

Healthcare Affordability

- **Gov Bill (HB 6871)**- Out of Network Caps for health care costs (240% of Medicare)
- **GOV Bill (SB 1253)**- Insurance rate premium request reductions up to 2%
- **Legislative Bill (SB 10)**-adds "unaffordable" as condition of rate increase standards

Prescription Drug Pricing

- **GOV Bill (HB 6870)** - Canadian Drug Importation and Generic and off-patent price increase limits
- **Legislative Bills (SB 11 and HB 7192)**- Canadian Drug Importation and Generic and off-patent price increase limits

Health Care Cabinet

- **OHS Bill (HB 7048)**- Brings current the organization structure of the group
- **Legislative (SB 7; SB 836)**- HCC conduct feasibility to regulate stop loss insurance policies

Health Information Exchange

- **Committee Bill (SB 1331)**- Requires OHS to study exclusion of health information into the statewide HIE

3.2 Cost Growth Benchmark (HB 7115)

HB 7115 AN ACT CONCERNING REVISIONS TO THE HEALTH CARE COST GROWTH BENCHMARK PROGRAM.

Employer Opt-In (Sec. 1)

- Requires payers to ask employers of a self-funded employee health plan to opt-in to providing data required for the benchmark. Allows OHS to impose a civil penalty for failure of an insurer to seek approval to submit to OHS.

Participation in Benchmark Hearing (Sec. 2)

- Clarify entities “participate” in the benchmark hearing “in a form and manner specified by the commissioner”. (OHS’ original proposal included subpoena for testimony and/or documents from those who refuse to participate in the benchmark hearing)

Policies and Procedures (Sec. 3)

- Allow draft regulations to act as policies and procedures for the Cost Growth Benchmark.

Performance Improvement Plan Study (Sec. 4)

- Require OHS to conduct a one-time study to assess performance improvement plans as a tool to slow cost growth.

Current Status: JFS language (LCO 6131)—passed 3/13

- Removed Sections 3 and 4

3.3 Certificate of Need (HB 7050)

HB 7050 AAC THE OFFICE OF HEALTH STRATEGY'S RECOMMENDATIONS REGARDING THE CERTIFICATE OF NEED PROGRAM.

Policies and Procedures (Sec. 1)

- Allow draft regulations to act as policies and procedures for the CON program.

Definition Termination of Services (Sec. 2)

- Clarify a termination of services is “a combined total of greater than 180 days within any two-year period” or “at least 30 consecutive days”

Add Proton Beam to CON Review (Sec. 3)

- Require CON for proton beam therapy; currently only required because technology new to the state.

Use of Cost and Market Impact Review in CON Process (Sec. 4)

- Clarify OHS can use the CMIR preliminary report, applicant responses, and the final report in the CON decision.

Expedited Review Process (Sec. 5)

- Authorize expedited review process for applicants addressing a significant unmet need in the service area

Cost and Market Impact Review Allotment (Sec. 6)

- Increase amount that a vendor can receive for a CMIR to \$300K from \$200K. (This is paid by the applicant)

Current Status: Hearing held 3/24/25—Public Health Committee JF deadline April 2nd.

3.4 Health Care Cabinet (HB 7048)

HB 7048 AAC THE OFFICE OF HEALTH STRATEGY'S RECOMMENDATIONS REGARDING REVISIONS TO THE HEALTH CARE CABINET.

Update Health Care Cabinet Membership

- 1) Removes the “Nonprofit Liaison to the Governor” position which no longer exists;
- 2) Adds the Behavioral Health Advocate;
- 3) Adds a representative of the nonprofit community;
- 4) Cleans up the Sustinet language; and,
- 5) Removes references to the ACA

Current Status: JF from PH on 3/5

Discussion