

**Health Care Market Oversight Program
RAC Aug/Sept 2024**

Statement of Need and Fiscal Impact Worksheet

Agency and Division Name: Oregon Health Authority (OHA), Health Policy and Analytics Division

Administrative Rules Chapter Number: OAR 409-070-xxxx

Rule Caption (not more than 15 words): Amend rules (housekeeping) for the Health Care Market Oversight Program

In the Matter of: the adoption and amendment of OAR 409-070-0000 through 409-070-0085

Stat. Authority: ORS 415.500 et seq.

Need for the Rules: The Health Care Market Oversight Program located in OHA reviews proposed transactions involving health care entities in Oregon to make sure the transactions help Oregon's shared goals of health equity, lower consumer costs, increased access, and better care. The following housekeeping rules changes are needed for a clearer and more streamlined program.

Documents Relied Upon, and where they are available: The program website is <https://www.oregon.gov/oha/HPA/HP/Pages/health-care-market-oversight.aspx>. The program also maintains a website for rules changes and Rules Advisory Committee materials: <https://www.oregon.gov/oha/HPA/HP/Pages/HCMO-Rules.aspx>.

This website hosts all publicly shared documents including drafts of rules, the list of rules advisory committee members, and additional documents.

Fiscal and Economic Impact: The program is designed to have a positive economic impact on people living in Oregon. The originating statute specifies that a health care entity may engage in a material change transaction if, after a review conducted by the Oregon Health Authority, the Authority determines that the transaction will, among other things, reduce the growth of patient costs. Moreover, after every approved material change transaction, the Authority is tasked with analyzing the transaction one, two, and five years later, focusing on, among other things, the cost trends and cost growth trends of the parties to the transaction.

There are no fiscal and economic impacts of the proposed housekeeping rules changes because these rules merely clarify the program operations.

Statement of Cost of Compliance

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

State agencies will not be affected by the rule changes. There may be an impact to local governments for those hospitals or health care entities that are a part of a Health District, if those entities engage in a proposed material change transaction. The program is designed to have a positive impact on the public.

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:

The statute limits the number of entities subject to the new requirements. Only transactions that involve one entity with an average revenue of \$10 million or more and another entity with an average revenue of \$25 million or more are subject to the requirements of the program. It is possible that a small business with 50 or fewer staff could be subject to the requirements in this program, depending on the average revenue of the business. Only transactions involving a health care entity are subject to review under this program. The proposed rule changes do not alter the number or types of entities subject to review under this program.

In the two years of the HCMO program operation, no small businesses have been subject to a transaction review.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

The expected reporting, recordkeeping and administrative activities are unchanged as a result of these proposed rule changes. There may be costs associated with complying with the rules, but only for those small businesses that are engaging in a proposed material change transaction that is reviewable under the program.

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

For those small businesses that are engaging in a proposed material change transaction that is reviewable under the program, the cost for a preliminary review is \$2,000 and the cost for a comprehensive review, which may not be necessary, depends on the sizes of the entities involved in the transaction, as the statute requires.

How were small businesses involved in the development of this rule?

An invitation was sent to all subscribers of the program's GovDelivery list-serve soliciting participants for the Rules Advisory Committee. Some of those individuals are lobbyists who represent smaller health care entities. It is the program staff's goal to have a Rules Advisory Committee that consists of consumers of health care services, individuals who are affected by the program, consumer advocates, and individuals who represent health care entities.

Administrative Rules Advisory Committee consulted? Yes