4-15-2025

Public Sector Healthcare Reform Bill

A. Balanced and Effective Governance of the State Health Benefits Program (SHBP)

1. The bill empowers the SHBC to properly manage the Program and to control costs by obtaining critical information necessary to make informed decisions and to enter into contracts with third-party administrators, providers and consultants.

B. Mandated Claims Review

1. The bill mandates an aggressive claims review program, which has been effective in recouping and deterring overcharges.

C. Controlling Costs through Fair Pricing

1. The bill mandates a Referenced Based Pricing approach, tying reimbursements to a percentage of medicare, for in-network and out-of-network hospitals and other providers. This would apply to all public healthcare plans.

    - In other states, including Oregon, this approach has saved the public health plans 100s of millions of dollars.
    - Applying the average savings obtained through this model in other states (approximately 20%), we estimate approximately $1.1 billion in annual savings.

D. Ensuring Affordable, High-Quality Healthcare for all Public Employees

1. The bill mandates employee contribution rates as a percentage of salary.
    - The amount of the employee contribution varies based on salary, plan and coverage

E. Tracking Savings and Costs

1. The bill requires the tracking of savings and costs as a result of the implementation of this bill.