

## HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2201

By JOINT COMMITTEE ON WAYS AND MEANS

April 20

1 On page 1 of the printed A-engrossed bill, line 2, after “414.025,” delete the rest of the line and  
2 insert “414.725, 414.839, 442.507, 735.701.”

3 On page 2, after line 17, insert:

4 “(6) Notwithstanding subsection (5) of this section, the department shall adopt verification re-  
5 quirements to ensure that recipients of benefits in the Oregon Healthy Kids Program are legal res-  
6 idents.”.

7 On page 5, after line 6, insert:

8 “**SECTION 4a.** ORS 414.725 is amended to read:

9 “414.725. (1)(a) Pursuant to rules adopted by the Department of Human Services, the department  
10 shall execute prepaid managed care health services contracts for health services funded by the  
11 Legislative Assembly. The contract must require that all services are provided to the extent and  
12 scope of the Health Services Commission’s report for each service provided under the contract. The  
13 contracts are not subject to ORS chapters 279A and 279B, except ORS 279A.250 to 279A.290 and  
14 279B.235. Notwithstanding ORS 414.720 (8), the rules adopted by the department shall establish  
15 timelines for executing the contracts described in this paragraph.

16 “(b) It is the intent of ORS 414.705 to 414.750 that the state use, to the greatest extent possible,  
17 prepaid managed care health services organizations to provide physical health, dental, mental health  
18 and chemical dependency services under ORS 414.705 to 414.750.

19 “(c) The department shall solicit qualified providers or plans to be reimbursed for providing the  
20 covered services. The contracts may be with hospitals and medical organizations, health mainte-  
21 nance organizations, managed health care plans and any other qualified public or private prepaid  
22 managed care health services organization. The department may not discriminate against any con-  
23 tractors that offer services within their providers’ lawful scopes of practice.

24 “(2) The department may institute a fee-for-service case management system or a fee-for-service  
25 payment system for the same physical health, dental, mental health or chemical dependency services  
26 provided under the health services contracts for persons eligible for health services under ORS  
27 414.705 to 414.750 in designated areas of the state in which a prepaid managed care health services  
28 organization is not able to assign an enrollee to a person or entity that is primarily responsible for  
29 coordinating the physical health, dental, mental health or chemical dependency services provided to  
30 the enrollee. In addition, the department may make other special arrangements as necessary to in-  
31 crease the interest of providers in participation in the state’s managed care system, including but  
32 not limited to the provision of stop-loss insurance for providers wishing to limit the amount of risk  
33 they wish to underwrite.

34 “(3) As provided in subsections (1) and (2) of this section, the aggregate expenditures by the  
35 department for health services provided pursuant to ORS 414.705 to 414.750 may not exceed the total

1 dollars appropriated for health services under ORS 414.705 to 414.750.

2 “(4) Actions taken by providers, potential providers, contractors and bidders in specific accord-  
3 ance with ORS 414.705 to 414.750 in forming consortiums or in otherwise entering into contracts to  
4 provide health care services shall be performed pursuant to state supervision and shall be consid-  
5 ered to be conducted at the direction of this state, shall be considered to be lawful trade practices  
6 and may not be considered to be the transaction of insurance for purposes of the Insurance Code.

7 “(5) Health care providers contracting to provide services under ORS 414.705 to 414.750 shall  
8 advise a patient of any service, treatment or test that is medically necessary but not covered under  
9 the contract if an ordinarily careful practitioner in the same or similar community would do so un-  
10 der the same or similar circumstances.

11 “(6) A prepaid managed care health services organization shall provide information on contact-  
12 ing available providers to an enrollee in writing within 30 days of assignment to the health services  
13 organization.

14 “(7) Each prepaid managed care health services organization shall provide upon the request of  
15 an enrollee or prospective enrollee annual summaries of the organization’s aggregate data regarding:

16 “(a) Grievances and appeals; and

17 “(b) Availability and accessibility of services provided to enrollees.

18 “(8) A prepaid managed care health services organization may not limit enrollment in a desig-  
19 nated area based on the zip code of an enrollee or prospective enrollee.

20 “(9)(a) **Notwithstanding subsection (2) of this section, a prepaid managed care health**  
21 **services organization shall reimburse a qualified community health center or safety net**  
22 **clinic for a contracted service provided by the center or clinic to an enrollee of the organ-**  
23 **ization participating in the Oregon Healthy Kids Program. The department by rule shall**  
24 **adopt standards for qualifying community health centers and safety net clinics for re-**  
25 **imbursement under this subsection.**

26 “(b) **As used in this subsection, ‘community health center or safety net clinic’ means a**  
27 **nonprofit medical clinic that provides primary physical health, vision, dental or mental**  
28 **health services to low-income patients without charge or using a sliding fee scale based on**  
29 **the income of the patient. ‘Community health center or safety net clinic’ includes a school-**  
30 **based clinic.’**

31 Delete lines 9 through 43 and insert:

32 “**SECTION 6. (1) The Office of Private Health Partnerships shall administer a private**  
33 **health option to expand private health care coverage for Oregon’s children.**

34 “(2) **The office shall contract with carriers to provide health benefit plans approved under**  
35 **section 7 of this 2007 Act. The office will manage the collection and payment of premiums**  
36 **for children participating in the plans.**

37 “(3) **The office shall provide a subsidy for a health benefit plan provided pursuant to a**  
38 **contract entered into under this section for a child whose family’s household income is more**  
39 **than 200 percent but no more than 300 percent of the federal poverty guidelines. The amount**  
40 **of the subsidy shall be determined in accordance with subsection (4) of this section and is**  
41 **payable to the carrier in the manner specified by the contract.**

42 “(4) **The office shall adopt rules for determining the subsidies to be paid under this sec-**  
43 **tion based upon the following factors:**

44 “(a) **Household income;**

45 “(b) **Family size; and**

1       “(c) Other factors established by the office.

2       “(5) The office shall adopt rules under which families with household incomes that are  
3 more than 300 percent of the federal poverty guidelines may purchase health benefit plans  
4 offered through the private health option.

5       “(6) As used in this section and section 7 of this 2007 Act:

6       “(a) ‘Carrier’ has the meaning given that term in ORS 735.700.

7       “(b) ‘Child’ means a person under 19 years of age.

8       “(c) ‘Health benefit plan’ has the meaning given that term in ORS 735.720.”.

9       On page 6, line 1, after “provided” insert “under section 2 (1)(a) of this 2007 Act and must cover  
10 mental health, vision and dental services.”.

11       Delete lines 2 through 4.

12       On page 9, after line 24, insert:

13       “**SECTION 17a.** (1) The Healthy Kids Safety Net Fund is established in the State Treas-  
14 ury, separate and distinct from the General Fund. Interest earned by the Healthy Kids Safety  
15 Net Fund shall be credited to the fund. The Healthy Kids Safety Net Fund shall consist of  
16 moneys transferred to the fund under section 20 of this 2007 Act and moneys received by the  
17 Department of Human Services in the form of gifts, grants, bequests, endowments or do-  
18 nations.

19       “(2) Moneys in the Healthy Kids Safety Net Fund are continuously appropriated to the  
20 Department of Human Services for the purpose of carrying out the provisions of section 17b  
21 of this 2007 Act.

22       “**SECTION 17b.** (1) The Department of Human Services shall award grants to community  
23 health centers and safety net clinics to ensure the capacity of each grantee to provide health  
24 care services to underserved or vulnerable populations.

25       “(2) The department shall by rule adopt criteria for awarding grants under this section.

26       “(3) As used in this section, ‘community health centers and safety net clinics’ means  
27 nonprofit medical clinics that provide primary physical health, vision, dental or mental  
28 health services to low-income patients without charge or using a sliding fee scale based on  
29 the income of the patient. ‘Community health centers and safety net clinics’ includes  
30 school-based clinics.”.

31       Delete lines 38 through 45 and insert:

32       “**SECTION 20.** All moneys received by the Department of Revenue from the tax imposed  
33 under section 19 of this 2007 Act shall be paid over to the State Treasurer to be held in a  
34 suspense account established under ORS 293.445. After the payment of refunds:

35       “(1) 6.5 percent shall be transferred to the suspense account created pursuant to ORS  
36 323.455 (1) and credited in the same manner as moneys received from the tax imposed by ORS  
37 323.030 (1);

38       “(2) 13 percent shall be transferred to the suspense account created pursuant to ORS  
39 323.457 (1) and credited in the same manner as moneys received from the tax imposed by ORS  
40 323.031 (1);

41       “(3) 1.097 percent shall be transferred to the Rural Health Care Revolving Account es-  
42 tablished by ORS 442.480;

43       “(4) 2.874 percent shall be transferred to the Healthy Kids Safety Net Fund established  
44 under section 17a of this 2007 Act; and

45       “(5) After the amounts described in subsections (1) to (4) of this section are transferred,

1 the balance of the moneys in the account shall be credited as follows:

2 “(a) 5.173 percent shall be credited to the Tobacco Use Reduction Account established  
3 under ORS 431.832 to fund cigarette and tobacco use prevention and education programs re-  
4 commended in the Best Practices for Comprehensive Tobacco Control Programs published  
5 by the United States Department of Health and Human Services, Centers for Disease Control  
6 and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Of-  
7 fice on Smoking and Health, August 1999; and

8 “(b) 94.827 percent shall be credited to the Oregon Healthy Kids Program Fund estab-  
9 lished by section 12a of this 2007 Act.

10 “**SECTION 20a.** Section 20 of this 2007 Act is amended to read:

11 “**Sec. 20.** All moneys received by the Department of Revenue from the tax imposed under sec-  
12 tion 19 of this 2007 Act shall be paid over to the State Treasurer to be held in a suspense account  
13 established under ORS 293.445. After the payment of refunds:

14 “(1) 6.5 percent shall be transferred to the suspense account created pursuant to ORS 323.455  
15 (1) and credited in the same manner as moneys received from the tax imposed by ORS 323.030 (1);

16 “(2) 13 percent shall be transferred to the suspense account created pursuant to ORS 323.457 (1)  
17 and credited in the same manner as moneys received from the tax imposed by ORS 323.031 (1);

18 “(3) 1.097 percent shall be transferred to the Rural Health Care Revolving Account established  
19 by ORS 442.480;

20 “(4) 2.874 percent shall be transferred to the Healthy Kids Safety Net Fund established under  
21 section 17a of this 2007 Act; and

22 “(5) After the amounts described in subsections (1) to (4) of this section are transferred, the  
23 balance of the moneys in the account shall be credited as follows:

24 “(a) [5.173] 10 percent shall be credited to the Tobacco Use Reduction Account established un-  
25 der ORS 431.832 to fund cigarette and tobacco use prevention and education programs recommended  
26 in the Best Practices for Comprehensive Tobacco Control Programs published by the United States  
27 Department of Health and Human Services, Centers for Disease Control and Prevention, National  
28 Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, August  
29 1999; and

30 “(b) [94.827] 90 percent shall be credited to the Oregon Healthy Kids Program Fund established  
31 by section 12a of this 2007 Act.

32 “**SECTION 20b.** Section 20a of this 2007 Act becomes operative on July 1, 2009.”.

33 On page 10, delete lines 1 through 11.

34 On page 13, after line 12, insert:

35 “**SECTION 28.** Section 29 of this 2007 Act is added to and made a part of ORS 442.470 to  
36 442.507.

37 “**SECTION 29.** The Office of Rural Health may award to rural health care providers  
38 grants that promote any of the following goals:

39 “(1) Replacement or renovation of aging rural hospitals.

40 “(2) Modernization of capital equipment.

41 “(3) Preservation of access to local health services in rural areas through short-term  
42 support of vulnerable rural health care providers.

43 “(4) Expansion of community health educational opportunities.

44 “(5) Providing incentives for the development of long-term, sustainable approaches to  
45 providing improved health care services and increased access to quality health care in rural

1 areas.

2 “(6) Development of collaborative approaches that sustain access to quality rural health  
3 care.

4 “(7) Expanding or sustaining health care for financially and physically vulnerable rural  
5 populations.

6 “(8) Providing operational support for rural health centers that are not federally qualified  
7 health centers.

8 “**SECTION 30.** ORS 442.507 is amended to read:

9 “442.507. (1) [*With the moneys transferred to the Office of Rural Health by ORS 442.625,*] The  
10 Office of Rural Health shall establish a dedicated grant program for the purpose of providing as-  
11 sistance to rural communities to enhance emergency medical service systems, **with moneys trans-**  
12 **ferred to the office under ORS 442.625 and with 19.7174 percent of the moneys transferred**  
13 **to the Rural Health Care Revolving Account under section 20 of this 2007 Act.**

14 “(2) Communities, as well as nonprofit or governmental agencies serving those communities, may  
15 apply to the office for grants on forms developed by the office.

16 “(3) The office shall make the final decision concerning which entities receive grants, but the  
17 office may seek advice from the Rural Health Coordinating Council, the State Emergency Medical  
18 Service Committee and other appropriate individuals experienced with emergency medical services.

19 “(4) The office may make grants to entities for the purchase of equipment, the establishment of  
20 new rural emergency medical service systems or the improvement of existing rural emergency med-  
21 ical service systems.

22 “(5) With the exception of printing and mailing expenses associated with the grant program, the  
23 Office of Rural Health shall pay for administrative costs of the program with funds other than those  
24 transferred under ORS 442.625.”

25 In line 16, delete “28” and insert “31”.

26 In line 22, delete “29” and insert “32”.

27