

# Senate Bill 957

Sponsored by COMMITTEE ON HEALTH AND HUMAN SERVICES (at the request of Save Oregon Seniors, United Seniors of Oregon, Oregon State Council for Retired Citizens)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits Department of Human Services from contracting with prepaid managed care health services organization to provide integrated acute and long term care.

## A BILL FOR AN ACT

1  
2 Relating to contracts for health care service delivery; amending ORS 414.725.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 414.725 is amended to read:

5 414.725. (1)(a) Pursuant to rules adopted by the Department of Human Services, the department  
6 shall execute prepaid managed care health services contracts for health services funded by the  
7 Legislative Assembly. The contract must require that all services are provided to the extent and  
8 scope of the Health Services Commission's report for each service provided under the contract. The  
9 contracts are not subject to ORS chapters 279A and 279B, except ORS 279A.250 to 279A.290 and  
10 279B.235. Notwithstanding ORS 414.720 (8), the rules adopted by the department shall establish  
11 timelines for executing the contracts described in this paragraph.

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

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

20 (2) The department may institute a fee-for-service case management system or a fee-for-service  
21 payment system for the same physical health, dental, mental health or chemical dependency services  
22 provided under the health services contracts for persons eligible for health services under ORS  
23 414.705 to 414.750 in designated areas of the state in which a prepaid managed care health services  
24 organization is not able to assign an enrollee to a person or entity that is primarily responsible for  
25 coordinating the physical health, dental, mental health or chemical dependency services provided to  
26 the enrollee. In addition, the department may make other special arrangements as necessary to in-  
27 crease the interest of providers in participation in the state's managed care system, including but  
28 not limited to the provision of stop-loss insurance for providers wishing to limit the amount of risk  
29 they wish to underwrite.

30 (3) As provided in subsections (1) and (2) of this section, the aggregate expenditures by the de-  
31 partment for health services provided pursuant to ORS 414.705 to 414.750 may not exceed the total

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

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 contacting  
12 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) Nothing in this section is intended to authorize the department to enter into a con-**  
21 **tract with a prepaid managed care health services organization to provide integrated acute**  
22 **and long term care services.**

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