

# House Bill 2047

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Business and Labor for Chiropractic Association of Oregon)

## 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**.

Requires managed care plan to allow for chiropractic physicians who meet certain requirements to participate in plan and provide medical services under plan.

## A BILL FOR AN ACT

1  
2 Relating to participation of chiropractic physicians in managed care plan; amending ORS 656.260.

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

4 **SECTION 1.** ORS 656.260 is amended to read:

5 656.260. (1) Any health care provider or group of medical service providers may make written  
6 application to the Director of the Department of Consumer and Business Services to become certi-  
7 fied to provide managed care to injured workers for injuries and diseases compensable under this  
8 chapter. [*However, nothing in this section authorizes*] **This section does not authorize** an organ-  
9 ization that is formed, owned or operated by an insurer or employer other than a health care pro-  
10 vider to become certified to provide managed care.

11 (2) Each application for certification shall be accompanied by a reasonable fee prescribed by the  
12 director. A certificate is valid for such period as the director may prescribe unless sooner revoked  
13 or suspended.

14 (3) Application for certification shall be made in such form and manner and shall set forth such  
15 information regarding the proposed plan for providing services as the director may prescribe. The  
16 information shall include, but not be limited to:

17 (a) A list of the names of all individuals who will provide services under the managed care plan,  
18 together with appropriate evidence of compliance with any licensing or certification requirements  
19 for that individual to practice in this state.

20 (b) A description of the times, places and manner of providing services under the plan.

21 (c) A description of the times, places and manner of providing other related optional services  
22 the applicants wish to provide.

23 (d) Satisfactory evidence of ability to comply with any financial requirements to insure delivery  
24 of service in accordance with the plan which the director may prescribe.

25 (4) The director shall certify a health care provider or group of medical service providers to  
26 provide managed care under a plan if the director finds that the plan:

27 (a) Proposes to provide medical and health care services required by this chapter in a manner  
28 that:

29 (A) Meets quality, continuity and other treatment standards adopted by the health care provider  
30 or group of medical service providers in accordance with processes approved by the director; and

31 (B) Is timely, effective and convenient for the worker.

**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 (b) Subject to any other provision of law, does not discriminate against or exclude from partic-  
2 ipation in the plan any category of medical service providers and includes an adequate number of  
3 each category of medical service providers to give workers adequate flexibility to choose medical  
4 service providers from among those individuals who provide services under the plan. However,  
5 nothing in the requirements of this paragraph shall affect the provisions of ORS 441.055 relating to  
6 the granting of medical staff privileges.

7 (c) Provides appropriate financial incentives to reduce service costs and utilization without  
8 sacrificing the quality of service.

9 (d) Provides adequate methods of peer review, service utilization review, quality assurance,  
10 contract review and dispute resolution to ensure appropriate treatment or to prevent inappropriate  
11 or excessive treatment, to exclude from participation in the plan those individuals who violate these  
12 treatment standards and to provide for the resolution of such medical disputes as the director con-  
13 siders appropriate. A majority of the members of each peer review, quality assurance, service utili-  
14 zation and contract review committee shall be physicians licensed to practice medicine by the  
15 Oregon Medical Board. As used in this paragraph:

16 (A) "Peer review" means evaluation or review of the performance of colleagues by a panel with  
17 similar types and degrees of expertise. Peer review requires participation of at least three physicians  
18 prior to final determination.

19 (B) "Service utilization review" means evaluation and determination of the reasonableness, ne-  
20 cessity and appropriateness of a worker's use of medical care resources and the provision of any  
21 needed assistance to clinician or member, or both, to ensure appropriate use of resources. "Service  
22 utilization review" includes prior authorization, concurrent review, retrospective review, discharge  
23 planning and case management activities.

24 (C) "Quality assurance" means activities to safeguard or improve the quality of medical care  
25 by assessing the quality of care or service and taking action to improve it.

26 (D) "Dispute resolution" includes the resolution of disputes arising under peer review, service  
27 utilization review and quality assurance activities between insurers, self-insured employers, workers  
28 and medical and health care service providers, as required under the certified plan.

29 (E) "Contract review" means the methods and processes whereby the managed care organization  
30 monitors and enforces its contracts with participating providers for matters other than matters  
31 enumerated in subparagraphs (A), (B) and (C) of this paragraph.

32 (e) Provides a program involving cooperative efforts by the workers, the employer and the  
33 managed care organizations to promote workplace health and safety consultative and other services  
34 and early return to work for injured workers.

35 (f) Provides a timely and accurate method of reporting to the director necessary information  
36 regarding medical and health care service cost and utilization to enable the director to determine  
37 the effectiveness of the plan.

38 (g) Authorizes workers to receive compensable medical treatment from a primary care physician  
39 who is not a member of the managed care organization, but who maintains the worker's medical  
40 records and with whom the worker has a documented history of treatment, if that primary care  
41 physician agrees to refer the worker to the managed care organization for any specialized treatment,  
42 including physical therapy, to be furnished by another provider that the worker may require and if  
43 that primary care physician agrees to comply with all the rules, terms and conditions regarding  
44 services performed by the managed care organization. Nothing in this paragraph is intended to limit  
45 the worker's right to change primary care physicians prior to the filing of a workers' compensation

1 claim. As used in this paragraph, “primary care physician” means a physician who is qualified to  
2 be an attending physician referred to in ORS 656.005 (12)(b)(A) and who is a family practitioner, a  
3 general practitioner or an internal medicine practitioner.

4 (h) Provides a written explanation for denial of participation in the managed care organization  
5 plan to any licensed health care provider that has been denied participation in the managed care  
6 organization plan.

7 (i) Does not prohibit the injured worker’s attending physician from advocating for medical ser-  
8 vices and temporary disability benefits for the injured worker that are supported by the medical  
9 record.

10 **(j) Authorizes any chiropractic physician to participate in the plan and to provide medical**  
11 **services under the plan if the chiropractic physician meets the licensing requirements to**  
12 **practice in this state, is credentialed by a nationally recognized credentialing organization**  
13 **and agrees to comply with all the rules, terms and conditions regarding services performed**  
14 **under the managed care plan.**

15 [(j)] (k) Complies with any other requirement the director determines is necessary to provide  
16 quality medical services and health care to injured workers.

17 (5) The director shall refuse to certify or may revoke or suspend the certification of any health  
18 care provider or group of medical service providers to provide managed care if the director finds  
19 that:

20 (a) The plan for providing medical or health care services fails to meet the requirements of this  
21 section.

22 (b) Service under the plan is not being provided in accordance with the terms of a certified plan.

23 (6) Any issue concerning the provision of medical services to injured workers subject to a  
24 managed care contract and service utilization review, quality assurance, dispute resolution, contract  
25 review and peer review activities as well as authorization of medical services to be provided by  
26 other than an attending physician pursuant to ORS 656.245 (2)(b) shall be subject to review by the  
27 director or the director’s designated representatives. The decision of the director is subject to re-  
28 view under ORS 656.704. Data generated by or received in connection with these activities, includ-  
29 ing written reports, notes or records of any such activities, or of any review thereof, shall be  
30 confidential, and shall not be disclosed except as considered necessary by the director in the ad-  
31 ministration of this chapter. The director may report professional misconduct to an appropriate li-  
32 censing board.

33 (7) No data generated by service utilization review, quality assurance, dispute resolution or peer  
34 review activities and no physician profiles or data used to create physician profiles pursuant to this  
35 section or a review thereof shall be used in any action, suit or proceeding except to the extent  
36 considered necessary by the director in the administration of this chapter. The confidentiality pro-  
37 visions of this section shall not apply in any action, suit or proceeding arising out of or related to  
38 a contract between a managed care organization and a health care provider whose confidentiality  
39 is protected by this section.

40 (8) A person participating in service utilization review, quality assurance, dispute resolution or  
41 peer review activities pursuant to this section shall not be examined as to any communication made  
42 in the course of such activities or the findings thereof, nor shall any person be subject to an action  
43 for civil damages for affirmative actions taken or statements made in good faith.

44 (9) No person who participates in forming consortiums, collectively negotiating fees or otherwise  
45 solicits or enters into contracts in a good faith effort to provide medical or health care services

1 according to the provisions of this section shall be examined or subject to administrative or civil  
 2 liability regarding any such participation except pursuant to the director's active supervision of  
 3 such activities and the managed care organization. Before engaging in such activities, the person  
 4 shall provide notice of intent to the director in a form prescribed by the director.

5 (10) The provisions of this section shall not affect the confidentiality or admission in evidence  
 6 of a claimant's medical treatment records.

7 (11) In consultation with the committees referred to in ORS 656.790 and 656.794, the director  
 8 shall adopt such rules as may be necessary to carry out the provisions of this section.

9 (12) As used in this section, ORS 656.245, 656.248 and 656.327, "medical service provider" means  
 10 a person duly licensed to practice one or more of the healing arts in any country or in any state  
 11 or territory or possession of the United States.

12 (13) Notwithstanding ORS 656.005 (12) or subsection (4)(b) of this section, a managed care or-  
 13 ganization contract may designate any medical service provider or category of providers as attend-  
 14 ing physicians.

15 (14) If a worker, insurer, self-insured employer or the attending physician is dissatisfied with an  
 16 action of the managed care organization regarding the provision of medical services pursuant to this  
 17 chapter, peer review, service utilization review or quality assurance activities, that person or entity  
 18 must first apply to the director for administrative review of the matter before requesting a hearing.  
 19 Such application must be made not later than the 60th day after the date the managed care organ-  
 20 ization has completed and issued its final decision.

21 (15) Upon a request for administrative review, the director shall create a documentary record  
 22 sufficient for judicial review. The director shall complete administrative review and issue a pro-  
 23 posed order within a reasonable time. The proposed order of the director issued pursuant to this  
 24 section shall become final and not subject to further review unless a written request for a hearing  
 25 is filed with the director within 30 days of the mailing of the order to all parties.

26 (16) At the contested case hearing, the order may be modified only if it is not supported by  
 27 substantial evidence in the record or reflects an error of law. No new medical evidence or issues  
 28 shall be admitted. The dispute may also be remanded to the managed care organization for further  
 29 evidence taking, correction or other necessary action if the Administrative Law Judge or director  
 30 determines the record has been improperly, incompletely or otherwise insufficiently developed. De-  
 31 cisions by the director regarding medical disputes are subject to review under ORS 656.704.

32 (17) Any person who is dissatisfied with an action of a managed care organization other than  
 33 regarding the provision of medical services pursuant to this chapter, peer review, service utilization  
 34 review or quality assurance activities may request review under ORS 656.704.

35 (18) Notwithstanding any other provision of law, original jurisdiction over contract review dis-  
 36 putes is with the director. The director may resolve the matter by issuing an order subject to re-  
 37 view under ORS 656.704, or the director may determine that the matter in dispute would be best  
 38 addressed in another forum and so inform the parties.

39 (19) The director shall conduct such investigations, audits and other administrative oversight in  
 40 regard to managed care as the director deems necessary to carry out the purposes of this chapter.

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