FISCAL IMPACT OF PROPOSED LEGISLATION — Measure: SB 201 - B

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:
Authorizes the Oregon Health Authority to approve transfer of 500 or more enrollees from one prepaid managed care health services organization to another.

Government Unit(s) Affected:
Oregon Health Authority (OHA)

Expenditure Impact:
See Analysis

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
Senate Bill 201 B - Engrossed requires prepaid managed care health services organizations (MCOs) that contract with the Oregon Health Authority (OHA) to maintain a network of providers sufficient in numbers and areas of practice and geographically distributed in a manner to ensure that the health services provided under the contract are reasonably accessible to enrollees. The bill allows OHA to apply this accessibility requirement to approve transfer of 500 or more enrollees from one prepaid MCO to another under certain specified conditions and circumstances, and becomes operative on January 1, 2012. The bill allows an enrollee to transfer from one organization to another no more than once during each enrollment period. The bill contains an emergency clause and is effective on passage.

The proposed legislation has been determined to have a minimal expenditure impact on the Oregon Health Authority. Under existing law, OHA's Division of Medical Assistance Programs (DMAP) has the authority to transfer 500 or more enrollees from one managed care to another. This bill specifies the conditions and circumstances. If this bill passes, DMAP will use existing staff and resources to make changes to contracts and administrative rules, as well as to obtain Department of Justice and Centers for Medicare and Medicaid Services (CMS) approval.