

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage, but with Amendments and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	5 - 0 - 0
Yeas:	Bates, Kruse, Morse, Shields, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Brian Nieuburt, Administrator
Meeting Dates:	2/23, 4/13, 4/18, 4/21

WHAT THE MEASURE DOES: Prohibits the Oregon Health Authority (OHA) from taking any action or series of actions that cumulatively increase the cost to a prepaid managed care health care services organization (MCO) of providing health services during a biennium by more than one percent, without prior approval by the Joint Committee on Ways and Means. Defines “action.” Applies to actions taken by OHA during the term of contracts executed for the 2011 calendar year and subsequent calendar years. Requires OHA to calculate the cumulative increase using an actuarially sound method and to make the calculation publicly available. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Cumulative effect of small changes on MCOs
- Operating margins of MCOs
- Relation to calculation of payment changes for covered services on Prioritized List

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: The State of Oregon contracts with MCOs to provide health care coverage for low-income Oregonians enrolled in the Oregon Health Plan (OHP), the state’s Medicaid program. MCOs provide medical and dental care to over 75 percent of OHP clients.

Senate Bill 216-A prohibits OHA from taking any action that cumulatively increases the cost to MCOs during a biennium by more than one percent without the prior approval of the Joint Committee on Ways and Means.