

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended 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:	3/23, 4/13

WHAT THE MEASURE DOES: Requires an independent audit of the actuarial soundness of per capita rates determined by the Oregon Health Authority for payment to prepaid managed care health services organizations (MCOs) if the rates are not consistent with the benchmark per capita rates determined by the Health Services Commission (HSC). Requires OHA to submit the per capita rates to the Legislative Assembly for approval along with the report of any independent audit conducted. Specifies that the report of any independent audit is public record.

ISSUES DISCUSSED:

- Impact of Oregon Medical Insurance Pool population shift
- Current number of MCOs and effect of health care transformation
- Potential fiscal impact
- Current OHA actuarial practices
- Comparing per capita to benchmark rates

EFFECT OF COMMITTEE AMENDMENT: Removes requirement that OHA maintain the number of contracts with MCOs at the number in effect on January 1, 2011.

BACKGROUND: The State of Oregon contracts with MCOs to provide health care coverage for low-income Oregonians under the Oregon Health Plan (OHP), the state's Medicaid program. The HSC prioritizes health services and establishes benchmark rates for services provided under OHP. Benchmark rates indicate what it costs providers to provide services on a per-member-per-month basis. MCO plans providing physical health, physician care, mental health and dental care services under these contracts are paid on a capitation basis based on rates determined by OHA.

Senate Bill 880-A requires an independent audit of OHA's per capita rates if those rates are not consistent with the benchmark rates determined by the HSC. The measure also requires OHA to submit their rates to the Legislative Assembly for approval along with the report of any independent audit conducted.