Senate Bill 214

Sponsored by Senator BATES (Presession filed.)

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 Oregon Health Authority to reconcile claims made by and payments due to prepaid managed care health services organizations no later than 90 days after effective date of Act and to pay claims identified within 30 days. Requires authority to adopt rules to ensure payment of all claims for health services within 90 days of date claim is submitted.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to provider claims for health services to medical assistance recipients; creating new provisions; amending ORS 414.065 and 414.736; and declaring an emergency.

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

SECTION 1. (1) As used in this section:

(a) "Health services" has the meaning given that term in ORS 414.705.

(b) "Medical assistance recipient" includes any individual who:

(A) On the date a health service was provided, was shown in the Medicaid management information system to be eligible for medical assistance;

(B) On the date a health service was provided, a prepaid managed care health services organization had been notified by the Oregon Health Authority or the Department of Human Services that the individual was eligible for medical assistance;

(C) Applied for medical assistance after the date that a health service was provided to the individual, but was later determined by the authority or the department to be eligible for medical assistance retroactive to the date the service was provided; or

(D) Was eligible for medical assistance on the date the health service was provided to the individual, but was later determined by the authority or the department to be ineligible for medical assistance on the date the service was provided.

(2) The Oregon Health Authority shall, no later than 90 days after the effective date of this 2011 Act, reconcile all claims made by and all payments due to a prepaid managed care health services organization for health services or coverage provided by the organization to a medical assistance recipient between December 9, 2008, and the date that is 90 days after the effective date of this 2011 Act. All claims and payments due shall be paid no later than 30 days after the claims or payments are identified in the reconciliation. The authority shall contract with an independent auditor to certify the completeness and accuracy of the reconciliation.

SECTION 2. ORS 414.065 is amended to read:

414.065. (1)(a) With respect to medical and remedial care and services to be provided in medical assistance during any period, and within the limits of funds available therefor, the Oregon Health Authority shall determine, subject to such revisions as it may make from time to time and with re-

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.

spect to the "health services" defined in ORS 414.705, subject to legislative funding in response to the report of the Health Services Commission and paragraph (b) of this subsection:

(A) The types and extent of medical and remedial care and services to be provided to each eligible group of recipients of medical assistance.

(B) Standards to be observed in the provision of medical and remedial care and services.

(C) The number of days of medical and remedial care and services toward the cost of which public assistance funds will be expended in the care of any person.

(D) Reasonable fees, charges and daily rates to which public assistance funds will be applied toward meeting the costs of providing medical and remedial care and services to an applicant or recipient.

(E) Reasonable fees for professional medical and dental services which may be based on usual and customary fees in the locality for similar services.

(F) The amount and application of any copayment or other similar cost-sharing payment that the authority may require a recipient to pay toward the cost of medical and remedial care or services.

(b) [*Notwithstanding ORS 414.720 (8)*] **Except as provided in ORS 414.135**, the authority shall adopt rules establishing timelines for payment of health services under paragraph (a) of this subsection **that ensure payment of all claims no later than 90 days after the date a claim is submitted**.

(2) The types and extent of medical and remedial care and services and the amounts to be paid in meeting the costs thereof, as determined and fixed by the authority and within the limits of funds available therefor, shall be the total available for medical assistance and payments for such medical assistance shall be the total amounts from public assistance funds available to providers of medical and remedial care and services in meeting the costs thereof.

(3) Except for payments under a cost-sharing plan, payments made by the authority for medical assistance shall constitute payment in full for all medical and remedial care and services for which such payments of medical assistance were made.

(4) Medical benefits, standards and limits established pursuant to subsection (1)(a)(A), (B) and (C) of this section for the eligible medically needy, except for persons receiving assistance under ORS 411.706, may be less than but may not exceed medical benefits, standards and limits established for the eligible categorically needy, except that, in the case of a research and demonstration project entered into under ORS 411.135, medical benefits, standards and limits for the eligible medically needy may exceed those established for specific eligible groups of the categorically needy.

SECTION 3. ORS 414.736 is amended to read:

414.736. As used in this section and ORS 414.725, 414.737, 414.738, 414.739, 414.740, 414.741[*, 414.742 and 414.743*] **and 414.742** and section 9, chapter 867, Oregon Laws 2009**, and section 1 of this 2011 Act**:

(1) "Designated area" means a geographic area of the state defined by the Oregon Health Authority by rule that is served by a prepaid managed care health services organization.

(2) "Fully capitated health plan" means an organization that contracts with the Oregon Health Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to provide an adequate network of providers to ensure that the health services provided under the contract are reasonably accessible to enrollees.

(3) "Physician care organization" means an organization that contracts with the Oregon Health Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to provide an adequate network of providers to ensure that the health services described in ORS

414.705 (1)(b), (c), (d), (e), (g) and (j) are reasonably accessible to enrollees. A physician care organization may also contract with the authority or the board on a prepaid capitated basis to provide the health services described in ORS 414.705 (1)(k) and (L).

(4) "Prepaid managed care health services organization" means a managed physical health, dental, mental health or chemical dependency organization that contracts with the authority or the board on a prepaid capitated basis under ORS 414.725. A prepaid managed care health services organization may be a dental care organization, fully capitated health plan, physician care organization, mental health organization or chemical dependency organization.

SECTION 4. ORS 414.736, as amended by section 6, chapter 886, Oregon Laws 2009, is amended to read:

414.736. As used in this section and ORS 414.725, 414.737, 414.738, 414.739, 414.740, 414.741 and 414.742 and section 9, chapter 867, Oregon Laws 2009**, and section 1 of this 2011 Act**:

(1) "Designated area" means a geographic area of the state defined by the Oregon Health Authority by rule that is served by a prepaid managed care health services organization.

(2) "Fully capitated health plan" means an organization that contracts with the Oregon Health Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to provide an adequate network of providers to ensure that the health services provided under the contract are reasonably accessible to enrollees.

(3) "Physician care organization" means an organization that contracts with the Oregon Health Authority or the Oregon Health Policy Board on a prepaid capitated basis under ORS 414.725 to provide an adequate network of providers to ensure that the health services described in ORS 414.705 (1)(b), (c), (d), (e), (g) and (j) are reasonably accessible to enrollees. A physician care organization may also contract with the authority or the board on a prepaid capitated basis to provide the health services described in ORS 414.705 (1)(k) and (L).

(4) "Prepaid managed care health services organization" means a managed physical health, dental, mental health or chemical dependency organization that contracts with the authority or the board on a prepaid capitated basis under ORS 414.725. A prepaid managed care health services organization may be a dental care organization, fully capitated health plan, physician care organization, mental health organization or chemical dependency organization.

SECTION 5. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.