

A-Engrossed
Senate Bill 216

Ordered by the Senate April 29
Including Senate Amendments dated April 29

Sponsored by Senator BATES (Pre-session 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.

[Requires Oregon Health Authority to increase capitation rates paid to prepaid managed care health services organizations if changes in medical assistance benefits increase overall cost to organizations by one percent or more.]

Prohibits Oregon Health Authority from taking actions that cumulatively increase cost to prepaid managed care health services organization of providing health services during one biennium by more than one percent without prior approval of Joint Committee on Ways and Means.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to medical assistance; and declaring an emergency.

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

SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 414.

SECTION 2. (1) Without prior approval by the Joint Committee on Ways and Means, the Oregon Health Authority may not take any action or series of actions described in subsection (2) of this section that cumulatively increase the cost to a prepaid managed care health services organization of providing health services during a biennium by more than one percent.

(2) As used in this section, "action" includes:

(a) The amendment or adoption of an administrative rule;

(b) An amendment to a contract between the authority and a prepaid managed care health services organization;

(c) A change in administrative requirements; or

(d) A policy change that results in adding coverage for a group of enrollees with high health care costs generally, or in removing from coverage a group of enrollees with low health care costs generally.

(3) The authority shall calculate the cumulative increase in the cost to a prepaid managed care health services organization of providing health services using an actuarially sound method. The authority shall make the calculation publicly available.

SECTION 3. Section 2 of this 2011 Act applies to any actions by the Oregon Health Authority taken during the term of contracts executed with prepaid managed care health services organizations for the 2011 calendar year and subsequent calendar years. The authority shall seek retroactive approval by the Joint Committee on Ways and Means for any actions taken during the 2011 contract year that increased the cost to prepaid managed care health

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 **services organizations of providing health services by more than one percent.**

2 **SECTION 4. This 2011 Act being necessary for the immediate preservation of the public**
3 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
4 **on its passage.**

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