

HOUSE AMENDMENTS TO HOUSE BILL 4153

By COMMITTEE ON RULES

February 6

1 On page 1 of the printed bill, line 2, delete “411.095, 414.025,”.

2 In line 3, delete “414.625,” and delete “414.638,”.

3 Delete lines 7 through 27 and delete pages 2 through 15 and insert:

4
5 **“LEGISLATIVE APPROVAL OF COORDINATED CARE**
6 **ORGANIZATION PROPOSAL**
7

8 **“SECTION 1. The Legislative Assembly approves the proposals presented by the Oregon**
9 **Health Authority as required by section 13, chapter 602, Oregon Laws 2011.**

10 **“SECTION 2.** Section 14, chapter 602, Oregon Laws 2011, is amended to read:

11 **“Sec. 14.** (1) Notwithstanding ORS [414.725 and 414.737] **414.631 and 414.651**, in any area of the
12 state where a coordinated care organization has not been certified, the Oregon Health Authority
13 shall continue to contract with one or more prepaid managed care health services organizations, as
14 defined in ORS 414.736, that serve the area and that are in compliance with contractual obligations
15 owed to the state or local government.

16 “(2) Prepaid managed care health services organizations contracting with the authority under
17 this section are subject to the applicable requirements for, and are permitted to exercise the rights
18 of, coordinated care organizations under [sections 4, 6, 8, 10 and 12 of this 2011 Act and] ORS
19 414.153, **414.625, 414.635, 414.638, 414.651, 414.655, 414.679**, 414.712, [414.725,] 414.728, 414.743,
20 414.746, 414.760, 416.510 to 416.610, 441.094, 442.464, 655.515, 659.830 and 743.847.

21 “(3) The authority may amend contracts that are in place on [the effective date of this 2011 Act]
22 **July 1, 2011**, to allow prepaid managed care health services organizations that meet the criteria
23 [approved by the Legislative Assembly under section 13 of this 2011 Act] **adopted by the authority**
24 **under ORS 414.625** to become coordinated care organizations.

25 “(4) The authority shall continue to renew the contracts of prepaid managed care health ser-
26 vices organizations that have a contract with the authority on [the effective date of this 2011 Act]
27 **July 1, 2011**, until the earlier of the date the prepaid managed care health services organization
28 becomes a coordinated care organization or July 1, 2014. Contracts with prepaid managed care
29 health services organizations must terminate no later than July 1, 2017.

30 “(5) The authority shall continue to renew contracts or ensure that counties renew contracts
31 with providers of residential chemical dependency treatment until the provider enters into a con-
32 tract with a coordinated care organization but no later than July 1, 2013.

33 “(6) Notwithstanding [sections 4 (1)(g) and 6 (2) of this 2011 Act] **ORS 414.625 (1)(g) and 414.655**
34 **(2)**, the authority shall allow for a period of transition to the full adoption of health information
35 technology by coordinated care organizations and patient centered primary care homes. The au-

1 thority shall explore options for assisting providers and coordinated care organizations in funding
2 their use of health information technology.

3 “**SECTION 3.** Section 62, chapter 602, Oregon Laws 2011, is amended to read:

4 “**Sec. 62.** [(1)] The Oregon Health Authority may not implement any [*provisions of this 2011 Act*
5 *that require*] **provision of chapter 602, Oregon Laws 2011, that requires** federal approval, or that
6 [*require*] **requires** federal approval to receive federal financial participation, until the authority has
7 received the **federal** approval.

8 “[2) *Until the authority has received the approval of the Legislative Assembly under section 13 of*
9 *this 2011 Act, the authority may not:*]

10 “[*(a) Adopt by rule the qualification criteria for a coordinated care organization under section 4*
11 *of this 2011 Act or contract with a coordinated care organization;*]

12 “[*(b) Adopt by rule a global budgeting process or establish global budgets for coordinated care*
13 *organizations; or*]

14 “[*(c) Implement a process for financial reporting by coordinated care organizations or establish*
15 *financial reporting requirements under ORS 414.725 (1)(c).*]

16 “**SECTION 4.** Section 63, chapter 602, Oregon Laws 2011, is amended to read:

17 “**Sec. 63.** The amendments to [*section 8 of this 2011 Act*] **ORS 414.635** by section 9 [*of this 2011*
18 *Act*], **chapter 602, Oregon Laws 2011,** become operative [*January 1, 2014*] **on the effective date**
19 **of this 2012 Act.**

20 “**SECTION 5.** ORS 414.635, as amended by section 9, chapter 602, Oregon Laws 2011, is
21 amended to read:

22 “414.635. (1) The Oregon Health Authority shall adopt by rule safeguards for members enrolled
23 in coordinated care organizations that protect against underutilization of services and inappropriate
24 denials of services. In addition to any other consumer rights and responsibilities established by law,
25 each member:

26 “(a) Must be encouraged to be an active partner in directing the member’s health care and
27 services and not a passive recipient of care.

28 “(b) Must be educated about the coordinated care approach being used in the community and
29 how to navigate the coordinated health care system.

30 “(c) Must have access to advocates, including qualified peer wellness specialists where appro-
31 priate, personal health navigators, and qualified community health workers who are part of the
32 member’s care team to provide assistance that is culturally and linguistically appropriate to the
33 member’s need to access appropriate services and participate in processes affecting the member’s
34 care and services.

35 “(d) Shall be encouraged within all aspects of the integrated and coordinated health care deliv-
36 ery system to use wellness and prevention resources and to make healthy lifestyle choices.

37 “(e) Shall be encouraged to work with the member’s care team, including providers and com-
38 munity resources appropriate to the member’s needs as a whole person.

39 “(2) The authority shall establish and maintain an enrollment process for individuals who are
40 dually eligible for Medicare and Medicaid that promotes continuity of care and that allows the
41 member to disenroll from a coordinated care organization that fails to promptly provide adequate
42 services and:

43 “(a) To enroll in another coordinated care organization of the member’s choice; or

44 “(b) If another organization is not available, to receive Medicare-covered services on a fee-for-
45 service basis.

1 “(3) Members and their providers and coordinated care organizations have the right to appeal
2 decisions about care and services through the authority in an expedited manner and in accordance
3 with the contested case procedures in ORS chapter 183.

4 “(4) A health care entity may not unreasonably refuse to contract with an organization seeking
5 to form a coordinated care organization if the participation of the entity is necessary for the or-
6 ganization to qualify as a coordinated care organization.

7 “(5) A health care entity may refuse to contract with a coordinated care organization if the
8 reimbursement established for a service provided by the entity under the contract is below the
9 reasonable cost to the entity for providing the service.

10 “(6) A health care entity that unreasonably refuses to contract with a coordinated care organ-
11 ization may not receive fee-for-service reimbursement from the authority for services that are
12 available through a coordinated care organization either directly or by contract.

13 “(7) The authority shall maintain the process[, *approved by the Legislative Assembly,*] for re-
14 solving disputes involving an entity’s refusal to contract with a coordinated care organization under
15 subsections (4) and (5) of this section. The process must include the use of an independent third
16 party arbitrator.

17 “(8) A coordinated care organization may not unreasonably refuse to contract with a licensed
18 health care provider.

19 “(9) The authority shall:

20 “(a) Monitor and enforce consumer rights and protections within the Oregon Integrated and
21 Coordinated Health Care Delivery System and ensure a consistent response to complaints of vio-
22 lations of consumer rights or protections.

23 “(b) Monitor and report on the statewide health care expenditures and recommend actions ap-
24 propriate and necessary to contain the growth in health care costs incurred by all sectors of the
25 system.

26
27 **“IMPLEMENTATION OF OREGON INTEGRATED
28 AND COORDINATED CARE DELIVERY SYSTEM**

29
30 **“SECTION 6. (1) The Department of Consumer and Business Services and the Oregon
31 Health Authority may enter into agreements governing the disclosure of information re-
32 ported to the department by insurers with certificates of authority to transact insurance in
33 this state.**

34 **“(2) The authority may use information disclosed under subsection (1) of this section for
35 the purpose of carrying out ORS 414.625, 414.635, 414.638, 414.645 and 414.651.**

36 **“SECTION 7. Section 8 of this 2012 Act is added to and made a part of ORS chapter 414.**

37 **“SECTION 8. (1) A fully capitated health plan, physician care organization or coordinated
38 care organization may not discriminate in the participation or reimbursement of any health
39 care provider based on the provider’s license or certification if the provider is acting within
40 the scope of the provider’s license or certification. A plan or organization must give written
41 notice containing the reasons for its action if the plan or organization declines the partic-
42 ipation of any provider or group of providers.**

43 **“(2) Subsection (1) of this section does not:**

44 **“(a) Require a plan or organization to contract with more providers than are necessary
45 to meet the needs of its members;**

1 “(b) Preclude the plan or organization from using different reimbursement amounts for
2 different specialties or different practitioners in the same specialty; or

3 “(c) Preclude the plan or organization from establishing measures that are designed to
4 maintain the quality of services and control costs and are consistent with the plan’s or
5 organization’s responsibilities to its members.

6 “**SECTION 9.** Section 8 of this 2012 Act is amended to read:

7 “**Sec. 8.** (1) A [*fully capitated health plan, physician care organization or*] coordinated care or-
8 ganization may not discriminate in the participation or reimbursement of any health care provider
9 based on the provider’s license or certification if the provider is acting within the scope of the
10 provider’s license or certification. [A *plan or*] **An** organization must give written notice containing
11 the reasons for its action if the [*plan or*] organization declines the participation of any provider or
12 group of providers.

13 “(2) Subsection (1) of this section does not:

14 “(a) Require [*a plan or*] **an** organization to contract with more providers than are necessary to
15 meet the needs of its members;

16 “(b) Preclude the [*plan or*] organization from using different reimbursement amounts for different
17 specialties or different practitioners in the same specialty; or

18 “(c) Preclude the [*plan or*] organization from establishing measures that are designed to main-
19 tain the quality of services and control costs and are consistent with the [*plan’s or*] organization’s
20 responsibilities to its members.

21 “**SECTION 10.** The amendments to section 8 of this 2012 Act by section 9 of this 2012 Act
22 become operative July 1, 2017.

23 “**SECTION 11.** In each calendar quarter, the Oregon Health Authority shall report to the
24 appropriate committees or interim committees of the Legislative Assembly on the imple-
25 mentation of the Oregon Integrated and Coordinated Care Delivery System.

26 “**SECTION 12.** Section 11 of this 2012 Act is repealed July 1, 2017.

27
28 “**TECHNICAL CORRECTIONS AND CONFORMING AMENDMENTS**

29
30 “**SECTION 13.** Section 64, chapter 602, Oregon Laws 2011, as amended by section 70, chapter
31 602, Oregon Laws 2011, is amended to read:

32 “**Sec. 64.** (1) ORS 414.705 is repealed.

33 “(2) Sections 13[, 14] and 17 [*of this 2011 Act*], **chapter 602, Oregon Laws 2011**, are repealed
34 January 2, 2014.

35 “(3) ORS 414.610, 414.630, 414.640, 414.736, 414.738, 414.739 and 414.740 are repealed July 1, 2017.

36 “(4) **Section 14, chapter 602, Oregon Laws 2011, as amended by section 2 of this 2012 Act,**
37 **is repealed July 1, 2017.**

38 “**SECTION 14.** ORS 414.033 is amended to read:

39 “414.033. The Oregon Health Authority may:

40 “(1) Subject to the allotment system provided for in ORS 291.234 to 291.260, expend such sums
41 as are required to be expended in this state to provide medical assistance. Expenditures for medical
42 assistance include, but are not limited to, expenditures for deductions, cost sharing, enrollment fees,
43 premiums or similar charges imposed with respect to hospital insurance benefits or supplementary
44 health insurance benefits, as established by federal law.

45 “(2) Enter into agreements with, join with or accept grants from[,] the federal government for

1 cooperative research and demonstration projects for public welfare purposes, including, but not
2 limited to, any project for:

3 “(a) Providing medical assistance to individuals who are dually eligible for Medicare and
4 Medicaid using **global or** alternative payment methodologies or integrated and coordinated health
5 care and services; or

6 “(b) Evaluating service delivery systems.

7 “**SECTION 15.** ORS 414.632 is amended to read:

8 “414.632. (1) Subject to the Oregon Health Authority obtaining any necessary authorization from
9 the Centers for Medicare and Medicaid Services [*under section 17, chapter 602, Oregon Laws 2011*],
10 coordinated care organizations that meet the criteria adopted under ORS 414.625 are responsible for
11 providing covered Medicare and Medicaid services, other than Medicaid-funded long term care ser-
12 vices, to members who are dually eligible for Medicare and Medicaid in addition to medical assist-
13 ance recipients.

14 “(2) An individual who is dually eligible for Medicare and Medicaid shall be permitted to enroll
15 in and remain enrolled in a:

16 “(a) Program of all-inclusive care for the elderly, as defined in 42 C.F.R. 460.6; and

17 “(b) [A] Medicare Advantage plan, as defined in 42 C.F.R. 422.2, until the plan is fully inte-
18 grated into a coordinated care organization.

19 “(3) Except for the enrollment in coordinated care organizations of individuals who are dually
20 eligible for Medicare and Medicaid, the rights and benefits of Medicare beneficiaries under Title
21 XVIII of the Social Security Act shall be preserved.

22 “**SECTION 16.** ORS 414.740 is amended to read:

23 “414.740. (1) Notwithstanding ORS 414.738 (1), the Oregon Health Authority shall contract under
24 ORS 414.651 with a prepaid group practice health plan that serves at least 200,000 members in this
25 state and that has been issued a certificate of authority by the Department of Consumer and Busi-
26 ness Services as a health care service contractor to provide health services as described in ORS
27 [414.705 (1)(b)] **414.025 (8)(b)**, (c), (d), (e), (g) and (j). A health plan may also contract with the au-
28 thority on a prepaid capitated basis to provide the health services described in ORS [414.705 (1)(k)]
29 **414.025 (8)(k)** and (L). The authority may accept financial contributions from any public or private
30 entity to help implement and administer the contract. The authority shall seek federal matching
31 funds for any financial contributions received under this section.

32 “(2) In a designated area, in addition to the contract described in subsection (1) of this section,
33 the authority shall contract with prepaid managed care health services organizations to provide
34 health services under ORS 414.631, 414.651 and 414.688 to 414.750.

35 “**SECTION 17.** ORS 416.540 is amended to read:

36 “416.540. (1) Except as provided in subsection (2) of this section and in ORS 416.590, the De-
37 partment of Human Services and the Oregon Health Authority shall have a lien upon the amount
38 of any judgment in favor of a recipient or amount payable to the recipient under a settlement or
39 compromise for all assistance received by such recipient from the date of the injury of the recipient
40 to the date of satisfaction of such judgment or payment under such settlement or compromise.

41 “(2) The lien does not attach to the amount of any judgment, settlement or compromise to the
42 extent of attorney’s fees, costs and expenses incurred by a recipient in securing such judgment,
43 settlement or compromise and to the extent of medical, surgical and hospital expenses incurred by
44 the recipient on account of the personal injuries for which the recipient had a claim.

45 “(3) The authority may assign the lien described in subsection (1) of this section to a prepaid

1 managed care health services organization or a coordinated care organization for medical costs in-
2 curred by a recipient:

3 “(a) During a period for which the authority paid a capitation or enrollment fee or a payment
4 using [an *alternative*] a **global** payment methodology; and

5 “(b) On account of the personal injury for which the recipient had a claim.

6 “(4) A prepaid managed care health services organization or a coordinated care organization to
7 which the authority has assigned a lien shall notify the authority no later than 10 days after filing
8 notice of a lien.

9 “(5) For the purposes of ORS 416.510 to 416.610, the authority may designate the prepaid man-
10 aged care health services organization or the coordinated care organization to which a lien is as-
11 signed as its designee.

12 “(6) If the authority and a prepaid managed care health services organization or a coordinated
13 care organization both have filed a lien, the authority’s lien shall be satisfied first.

14 “**SECTION 18. ORS 414.631, 414.651 and 414.688 to 414.750 are added to and made a part**
15 **of ORS chapter 414.**

16
17 **“CAPTIONS**

18
19 **“SECTION 19. The unit captions used in this 2012 Act are provided only for the conven-**
20 **ience of the reader and do not become part of the statutory law of this state or express any**
21 **legislative intent in the enactment of this 2012 Act.**

22
23 **“EMERGENCY CLAUSE**

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25 **“SECTION 20. This 2012 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect**
27 **on its passage.”.**

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