

D R A F T

SUMMARY

Requires health benefit plan to cover services of naturopath that are covered by plan if provided by physician.

Requires coordinated care organization to ensure members have access to services of naturopath.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to services provided by naturopathic physicians; creating new pro-
3 visions; amending ORS 414.625, 750.055 and 750.333; and declaring an
4 emergency.

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

6 **SECTION 1. Section 2 of this 2013 Act is added to and made a part**
7 **of the Insurance Code.**

8 **SECTION 2. (1) If a health benefit plan as defined in ORS 743.730**
9 **provides coverage for any service that is within the lawful scope of**
10 **practice of a naturopathic physician licensed under ORS chapter 685,**
11 **including prescribing or dispensing drugs and ordering diagnostic or**
12 **laboratory tests or medical imaging, the plan must cover the service**
13 **whether it is performed by a physician licensed under ORS chapter 677**
14 **or by a naturopathic physician licensed under ORS chapter 685.**

15 **(2)(a) A health benefit plan may subject services provided by a**
16 **naturopath licensed under ORS chapter 685 to requirements, including**
17 **but not limited to deductibles, copayment or coinsurance require-**
18 **ments, fee or benefit limits, practice parameters, cost-effectiveness**
19 **and clinical efficacy standards and utilization review.**

1 **(b) The requirements imposed under paragraph (a) of this sub-**
2 **section may not function to direct treatment in a manner that un-**
3 **fairly discriminates against naturopathic care.**

4 **(c) The requirements imposed under paragraph (a) of this sub-**
5 **section may not be more restrictive than the requirements applicable**
6 **to services provided by a primary care physician licensed under ORS**
7 **chapter 677, but may allow for the management of benefits consistent**
8 **with variations in practice patterns and treatment modalities among**
9 **different types of health care providers.**

10 **(d) A health benefit plan may require that the naturopath's ser-**
11 **vices:**

12 **(A) Be provided by a licensed naturopath under contract with the**
13 **plan; or**

14 **(B) Be paid for in a manner consistent with out-of-network provider**
15 **reimbursement practices for other primary care physicians.**

16 **(3) The provisions of ORS 743A.001 do not apply to this section.**

17 **SECTION 3.** ORS 414.625, as amended by section 20, chapter 8, Oregon
18 Laws 2012, is amended to read:

19 414.625. (1) The Oregon Health Authority shall adopt by rule the quali-
20 fication criteria and requirements for a coordinated care organization and
21 shall integrate the criteria and requirements into each contract with a co-
22 ordinated care organization. Coordinated care organizations may be local,
23 community-based organizations or statewide organizations with community-
24 based participation in governance or any combination of the two. Coordi-
25 nated care organizations may contract with counties or with other public or
26 private entities to provide services to members. The authority may not
27 contract with only one statewide organization. A coordinated care organiza-
28 tion may be a single corporate structure or a network of providers organized
29 through contractual relationships. The criteria adopted by the authority un-
30 der this section must include, but are not limited to, the coordinated care
31 organization's demonstrated experience and capacity for:

1 (a) Managing financial risk and establishing financial reserves.

2 (b) Meeting the following minimum financial requirements:

3 (A) Maintaining restricted reserves of \$250,000 plus an amount equal to
4 50 percent of the coordinated care organization's total actual or projected
5 liabilities above \$250,000.

6 (B) Maintaining a net worth in an amount equal to at least five percent
7 of the average combined revenue in the prior two quarters of the partic-
8 ipating health care entities.

9 (c) Operating within a fixed global budget.

10 (d) Developing and implementing alternative payment methodologies that
11 are based on health care quality and improved health outcomes.

12 (e) Coordinating the delivery of physical health care, mental health and
13 chemical dependency services, oral health care and covered long-term care
14 services.

15 (f) Engaging community members and health care providers in improving
16 the health of the community and addressing regional, cultural, socioeconomic
17 and racial disparities in health care that exist among the coordinated care
18 organization's members and in the coordinated care organization's commu-
19 nity.

20 (2) In addition to the criteria specified in subsection (1) of this section,
21 the authority must adopt by rule requirements for coordinated care organ-
22 izations contracting with the authority so that:

23 (a) Each member of the coordinated care organization receives integrated
24 person centered care and services designed to provide choice, independence
25 and dignity.

26 (b) Each member has a consistent and stable relationship with a care
27 team that is responsible for comprehensive care management and service
28 delivery.

29 (c) The supportive and therapeutic needs of each member are addressed
30 in a holistic fashion, using patient centered primary care homes or other
31 models that support patient centered primary care and individualized care

1 plans to the extent feasible.

2 (d) Members receive comprehensive transitional care, including appropri-
3 ate follow-up, when entering and leaving an acute care facility or a long
4 term care setting.

5 (e) Members receive assistance in navigating the health care delivery
6 system and in accessing community and social support services and statewide
7 resources, including through the use of certified health care interpreters, as
8 defined in ORS 413.550, community health workers and personal health
9 navigators who meet competency standards established by the authority un-
10 der ORS 414.665 or who are certified by the Home Care Commission under
11 ORS 410.604.

12 (f) Services and supports are geographically located as close to where
13 members reside as possible and are, if available, offered in nontraditional
14 settings that are accessible to families, diverse communities and underserved
15 populations.

16 (g) Each coordinated care organization uses health information technol-
17 ogy to link services and care providers across the continuum of care to the
18 greatest extent practicable and if financially viable.

19 (h) Each coordinated care organization complies with the safeguards for
20 members described in ORS 414.635.

21 (i) Each coordinated care organization convenes a community advisory
22 council that meets the criteria specified in section 13, chapter 8, Oregon
23 Laws 2012.

24 (j) Each coordinated care organization prioritizes working with members
25 who have high health care needs, multiple chronic conditions, mental illness
26 or chemical dependency and involves those members in accessing and man-
27 aging appropriate preventive, health, remedial and supportive care and ser-
28 vices to reduce the use of avoidable emergency room visits and hospital
29 admissions.

30 (k) Members have a choice of providers within the coordinated care
31 organization's network and that providers participating in a coordinated care

1 organization:

2 (A) Work together to develop best practices for care and service delivery
3 to reduce waste and improve the health and well-being of members.

4 (B) Are educated about the integrated approach and how to access and
5 communicate within the integrated system about a patient's treatment plan
6 and health history.

7 (C) Emphasize prevention, healthy lifestyle choices, evidence-based prac-
8 tices, shared decision-making and communication.

9 (D) Are permitted to participate in the networks of multiple coordinated
10 care organizations.

11 (E) Include **a sufficient number of naturopathic physicians and pro-**
12 **viders of specialty care to adequately serve all of the members of the**
13 **coordinated care organization.**

14 (F) Are selected by coordinated care organizations using universal appli-
15 cation and credentialing procedures, objective quality information and are
16 removed if the providers fail to meet objective quality standards.

17 (G) Work together to develop best practices for culturally appropriate
18 care and service delivery to reduce waste, reduce health disparities and im-
19 prove the health and well-being of members.

20 (L) Each coordinated care organization reports on outcome and quality
21 measures adopted under ORS 414.638 and participates in the health care data
22 reporting system established in ORS 442.464 and 442.466.

23 (m) Each coordinated care organization uses best practices in the man-
24 agement of finances, contracts, claims processing, payment functions and
25 provider networks.

26 (n) Each coordinated care organization participates in the learning
27 collaborative described in ORS 442.210 (3).

28 (o) Each coordinated care organization has a governance structure that
29 includes:

30 (A) Persons that share in the financial risk of the organization who must
31 constitute a majority of the governance structure;

1 (B) The major components of the health care delivery system;

2 (C) At least two health care providers in active practice, including:

3 (i) A physician licensed under ORS chapter 677 or a nurse practitioner
4 certified under ORS 678.375, whose area of practice is primary care; and

5 (ii) A mental health or chemical dependency treatment provider;

6 (D) At least two members from the community at large, to ensure that the
7 organization's decision-making is consistent with the values of the members
8 and the community; and

9 (E) At least one member of the community advisory council.

10 (3) The authority shall consider the participation of area agencies and
11 other nonprofit agencies in the configuration of coordinated care organiza-
12 tions.

13 (4) In selecting one or more coordinated care organizations to serve a
14 geographic area, the authority shall:

15 (a) For members and potential members, optimize access to care and
16 choice of providers;

17 (b) For providers, optimize choice in contracting with coordinated care
18 organizations; and

19 (c) Allow more than one coordinated care organization to serve the ge-
20 ographic area if necessary to optimize access and choice under this sub-
21 section.

22 (5) On or before July 1, 2014, each coordinated care organization must
23 have a formal contractual relationship with any dental care organization
24 that serves members of the coordinated care organization in the area where
25 they reside.

26 **SECTION 4.** ORS 750.055, as amended by section 3, chapter 21, Oregon
27 Laws 2012, is amended to read:

28 750.055. (1) The following provisions of the Insurance Code apply to
29 health care service contractors to the extent not inconsistent with the ex-
30 press provisions of ORS 750.005 to 750.095:

31 (a) ORS 705.137, 705.139, 731.004 to 731.150, 731.162, 731.216 to 731.362,

1 731.382, 731.385, 731.386, 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454,
2 731.488, 731.504, 731.508, 731.509, 731.510, 731.511, 731.512, 731.574 to 731.620,
3 731.592, 731.594, 731.640 to 731.652, 731.730, 731.731, 731.735, 731.737, 731.750,
4 731.752, 731.804, 731.844 to 731.992, 731.870 and 743.061.

5 (b) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and
6 732.517 to 732.592, not including ORS 732.582.

7 (c) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to
8 733.680 and 733.695 to 733.780.

9 (d) ORS chapter 734.

10 (e) ORS 742.001 to 742.009, 742.013, 742.061, 742.065, 742.150 to 742.162,
11 742.400, 742.520 to 742.540, 743.010, 743.013, 743.018 to 743.030, 743.050, 743.100
12 to 743.109, 743.402, 743.472, 743.492, 743.495, 743.498, 743.499, 743.522, 743.523,
13 743.524, 743.526, 743.527, 743.528, 743.529, 743.549 to 743.552, 743.560, 743.600
14 to 743.610, 743.650 to 743.656, 743.764, 743.804, 743.807, 743.808, 743.814 to
15 743.839, 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858, 743.859,
16 743.861, 743.862, 743.863, 743.864, 743.894, 743.911, 743.912, 743.913, 743.917,
17 743A.010, 743A.012, 743A.020, 743A.034, 743A.036, 743A.048, 743A.058,
18 743A.062, 743A.064, 743A.065, 743A.066, 743A.068, 743A.070, 743A.080,
19 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105, 743A.110,
20 743A.140, 743A.141, 743A.144, 743A.148, 743A.160, 743A.164, 743A.168,
21 743A.170, 743A.175, 743A.184, 743A.185, 743A.188, 743A.190 and 743A.192 and
22 section 2, chapter 21, Oregon Laws 2012, **and section 2 of this 2013 Act.**

23 (f) The provisions of ORS chapter 744 relating to the regulation of in-
24 surance producers.

25 (g) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605,
26 746.607, 746.608, 746.610, 746.615, 746.625, 746.635, 746.650, 746.655, 746.660,
27 746.668, 746.670, 746.675, 746.680 and 746.690.

28 (h) ORS 743A.024, except in the case of group practice health maintenance
29 organizations that are federally qualified pursuant to Title XIII of the Public
30 Health Service Act unless the patient is referred by a physician associated
31 with a group practice health maintenance organization.

1 (i) ORS 735.600 to 735.650.

2 (j) ORS 743.680 to 743.689.

3 (k) ORS 744.700 to 744.740.

4 (L) ORS 743.730 to 743.773.

5 (m) ORS 731.485, except in the case of a group practice health mainte-
6 nance organization that is federally qualified pursuant to Title XIII of the
7 Public Health Service Act and that wholly owns and operates an in-house
8 drug outlet.

9 (2) For the purposes of this section, health care service contractors shall
10 be deemed insurers.

11 (3) Any for-profit health care service contractor organized under the laws
12 of any other state that is not governed by the insurance laws of the other
13 state is subject to all requirements of ORS chapter 732.

14 (4) The Director of the Department of Consumer and Business Services
15 may, after notice and hearing, adopt reasonable rules not inconsistent with
16 this section and ORS 750.003, 750.005, 750.025 and 750.045 that are deemed
17 necessary for the proper administration of these provisions.

18 **SECTION 5.** ORS 750.333, as amended by section 4, chapter 21, Oregon
19 Laws 2012, is amended to read:

20 750.333. (1) The following provisions of the Insurance Code apply to trusts
21 carrying out a multiple employer welfare arrangement:

22 (a) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316,
23 731.324, 731.328, 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414,
24 731.418 to 731.434, 731.454, 731.484, 731.486, 731.488, 731.512, 731.574 to 731.620,
25 731.640 to 731.652, 731.804 to 731.992 and 743.061.

26 (b) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680
27 and 733.695 to 733.780.

28 (c) ORS chapter 734.

29 (d) ORS 742.001 to 742.009, 742.013, 742.061 and 742.400.

30 (e) ORS 743.028, 743.053, 743.499, 743.524, 743.526, 743.527, 743.528, 743.529,
31 743.530, 743.560, 743.562, 743.600, 743.601, 743.602, 743.610, 743.730 to 743.773

1 (except 743.760 to 743.773), 743.801, 743.804, 743.807, 743.808, 743.814 to 743.839,
2 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858, 743.859, 743.861,
3 743.862, 743.863, 743.864, 743.894, 743.912, 743.917, 743A.012, 743A.020,
4 743A.034, 743A.052, 743A.064, 743A.065, 743A.080, 743A.100, 743A.104,
5 743A.110, 743A.144, 743A.170, 743A.175, 743A.184 and 743A.192 and section 2,
6 chapter 21, Oregon Laws 2012, **and section 2 of this 2013 Act.**

7 (f) ORS 743A.010, 743A.014, 743A.024, 743A.028, 743A.032, 743A.036,
8 743A.040, 743A.048, 743A.058, 743A.066, 743A.068, 743A.070, 743A.084,
9 743A.088, 743A.090, 743A.105, 743A.140, 743A.141, 743A.148, 743A.168,
10 743A.180, 743A.185, 743A.188 and 743A.190. Multiple employer welfare ar-
11 rangements to which ORS 743.730 to 743.773 apply are subject to the sections
12 referred to in this paragraph only as provided in ORS 743.730 to 743.773.

13 (g) Provisions of ORS chapter 744 relating to the regulation of insurance
14 producers and insurance consultants, and ORS 744.700 to 744.740.

15 (h) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

16 (i) ORS 731.592 and 731.594.

17 (j) ORS 731.870.

18 (2) For the purposes of this section:

19 (a) A trust carrying out a multiple employer welfare arrangement shall
20 be considered an insurer.

21 (b) References to certificates of authority shall be considered references
22 to certificates of multiple employer welfare arrangement.

23 (c) Contributions shall be considered premiums.

24 (3) The provision of health benefits under ORS 750.301 to 750.341 shall be
25 considered to be the transaction of health insurance.

26 **SECTION 6. (1) Section 2 of this 2013 Act and the amendments to**
27 **ORS 750.055 and 750.333 by sections 4 and 5 of this 2013 Act apply to**
28 **policies or certificates issued or renewed on or after the effective date**
29 **of this 2013 Act.**

30 **(2) The amendments to ORS 414.625 by section 3 of this 2013 Act**
31 **apply to any contract between the Oregon Health Authority and a co-**

1 **ordinated care organization that is entered into, renewed, modified or**
2 **extended, and to the certification of any coordinated care organization**
3 **by the Oregon Health Authority, on or after the effective date of this**
4 **2013 Act.**

5 **SECTION 7. This 2013 Act being necessary for the immediate pres-**
6 **ervation of the public peace, health and safety, an emergency is de-**
7 **clared to exist, and this 2013 Act takes effect on its passage.**

8
