

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 0 - 1
Yeas:	Clem, Conger, Harker, Kennemer, Lively, Thompson, Weidner, Greenlick
Nays:	0
Exc.:	0
Abs.:	Keny-Guyer
Prepared By:	Tyler Larson, Administrator
Meeting Dates:	2/18, 4/17

WHAT THE MEASURE DOES: Prohibits transfer of 500 or more enrollees from one managed care organization (MCO) to another MCO with which provider contracts if provider's contract with the transferring organization is terminated for just cause and OHA received notification of the just cause termination. Entitles provider to contested case hearing to dispute denial of transfer. Defines "just cause" as termination for reasons related to quality of care, competency, fraud or other similar reasons prescribed by OHA rule. Allows OHA award attorney fees and costs to prevailing party in contested case hearing. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- History of disputes between providers and MCOs
- Provisions of the bill
- Provider appeals and determination of termination for cause

EFFECT OF COMMITTEE AMENDMENT: Prohibits OHA approving transfer if it is the result of just cause termination and OHA received notification of the just cause termination. Entitles provider to contested case hearing to dispute denial of transfer. Defines "just cause" as termination for reasons related to quality of care, competency, fraud or other similar reasons prescribed by OHA rule. Allows OHA award attorney fees and costs to prevailing party in contested case hearing.

BACKGROUND: A Managed Care Organization (MCO) is a group of medical providers that contracts with insurers to manage and provide health care services to enrollees through the MCO's contracted providers. More than 80 percent of Oregon Health Plan (Medicaid) clients receive care through MCOs. The Oregon Health Authority (OHA) may approve the transfer of 500 or more enrollees from one prepaid MCO to another prepaid MCO subject to certain specified criteria.

Current statute is silent on what process must occur when the MCO terminates a provider for just cause. House Bill 2122-A prohibits OHA from approving transfers that result from termination for just cause, and allows the provider to seek a contested case hearing to dispute the termination and finally, awards attorney fees and costs to the prevailing party.

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This summary has not been adopted or officially endorsed by action of the committee.
Committee Services Form – 2013 Regular Session