

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass the A-Engrossed Measure  
**Vote:** 4 - 0 - 1  
**Yeas:** Kruse, Shields, Steiner Hayward, Monnes Anderson  
**Nays:** 0  
**Exc.:** Knopp  
**Prepared By:** Sandy Thiele-Cirka, Administrator  
**Meeting Dates:** 5/14

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**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 transferring MCO is terminated for cause and MCO has notified Oregon Health Authority (OHA) that contract was terminated for just cause. Defines just cause. Entitles provider to expedited contested case hearing to dispute denial of transfer. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Senate Bill 201 (2011) unintended consequence
- Additional clarification necessary relating to provider termination
- Inclusion of an appeals process for providers

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**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.