

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 0
Yeas:	Clem, Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Weidner, Greenlick
Nays:	0
Exc.:	0
Prepared By:	Tyler Larson, Administrator
Meeting Dates:	5/8, 5/29

WHAT THE MEASURE DOES: Specifies terms for contracts entered into between Oregon Health Authority (OHA) and Coordinated Care Organizations (CCOs). Specifies conditions when contract can be amended. Allows permissive termination of CCO contract for failure to meet outcome or quality measures or other breach of contract. Requires OHA adopt rules requiring CCO board of directors establish standards for publicizing activities of CCO and CCO community advisory council (CAC). Requires CAC meet at least quarterly and post report of meetings and discussions on CCO website. Requires CAC whose meetings are not open to the public and do not provide opportunity for public comment hold semiannual meetings open to public. Requires CAC post contact information for chairperson, member or designated staff member. Clarifies that provisions apply to governing body of a CCO. Declares emergency, effective on passage. Operative date for transparency requirements January 1, 2015.

ISSUES DISCUSSED:

- Current annual contracts and impact on CCO investments and business plans
- Provisions of the bill
- Provisions of transparency amendment

EFFECT OF COMMITTEE AMENDMENT: Allows permissive termination of CCO contract for failure to meet outcome or quality measures or other breach of contract. Requires OHA adopt rules requiring CCO board of directors establish standards for publicizing activities of CCO and CCO community advisory council (CAC). Requires CAC meet at least quarterly and post report of meetings and discussions on CCO website. Requires CAC whose meetings are not open to the public and do not provide opportunity for public comment hold semiannual meetings open to public. Requires CAC post contact information for chairperson, member or designated staff member. Clarifies that provisions apply to governing body of a CCO. Operative date for transparency requirements January 1, 2015.

BACKGROUND: Currently, Coordinated Care Organizations (CCOs) and the Oregon Health Authority (OHA) establish annual contracts. CCOs assert the short contract durations, are problematic for them to consider long-term investments that is required to bend the health care cost-curve.

Senate Bill 725-B creates five year contracts between the CCOs and OHA that will automatically be renewed, which will build confidence and stability for the CCOs. The bill also requires the establishment of minimum transparency requirements for CCOs and their community advisory councils.