



Capitol Dental Care, Inc.

3000 Market Street NE, Suite 228 • Salem, OR 97301 • (503) 585-5205 • Fax: (503) 581-0043

April 13, 2015

Senate Committee on Health Care
900 Court Street NE
Salem, OR 97301

RE: SB 695

Chair Monnes Anderson and Members of the Committee,

For the record my name is Deborah Loy. I am the Executive Director of Government Programs for Capitol Dental Care (CDC). We are a dental care organization that provides care to hundreds of thousands of Oregon Health Plan enrollees. I am here to testify in support of SB 695.

The reason for introducing SB 695 was to address unintended consequences resulting from HB 3650 (2011) and SB 1580 (2012) which established the Oregon Integrated and Coordinated Health Care Delivery System. SB 695 addresses the following issues:

- 1) On July 1, 2017 prepaid managed care health service organizations (PHPs) are eliminated. The PHP legal status allows an organization to contract with the state for Oregon Health Plan (OHP) enrollees and do many of the things associated with an insurance carrier without needing to hold an insurer certificate from the Department of Consumer and Business Services (DCBS).

SB 695 revises the definition of a PHP to address this issue and it removes the sunset. It would allow a dental care organization (DCO) which is a type of PHP to legally be able to continue to serve OHP enrollees without needing to hold an insurer certificate from DCBS.

- 2) The legal status of a PHP including a DCO is that the organization does not have to hold an insurance certificate as a direct contractor with the state. On or before July 1, 2014, DCOs contracted with CCOs in service areas where they both served OHP enrollees. At that time the OHP enrollees who had been assigned by the state to the DCO (as a direct contractor) rolled over to the CCOs. With the rollover of members, the CCO became the direct contractor with the state for dental services. The DCO then became a subcontractor to the CCO for these members and any future members the CCO might enroll into the dental plan.

SB 695 would allow a PHP (in this case a DCO) who is a subcontractor with a CCO to legally be able to continue to serve OHP enrollees without needing to hold an insurer certificate from DCBS.

- 3) The concept of the Oregon Integrated and Coordinated Health Care Delivery System transformation as outlined in HB 3650 and SB 1580 was to sunset PHPs on July 1, 2017 because all OHP enrollees would all be enrolled in coordinated care organizations (CCOs). While it is true the majority of OHP members are enrolled in CCOs, these bills did allow for certain specific populations to be exceptions to enrolling with the CCOs. The *exceptions are* those listed in ORS 414.631 (2), (3) and (4). Currently, there are approximately 50,000 OHP members who are in this *specific* group of members who are allowed to and have exercised their right to an exception. Capitol Dental Care remains a direct contractor with the state as have a few other DCOs to serve this group.

SB 695 would allow the removal of the July 1, 2017 sunset eliminating PHPs thus allowing Capitol Dental Care and the other applicable DCOs to continue as be direct contractors with the state to provide dental care for the *specific* groups of OHP enrollees allowed an exception to CCO enrollment.

Capitol Dental Care would like to thank Senator Bates for working with us on SB 695 to resolve the issues addressed in the bill. In working with Legislative Counsel on SB 695, we asked the question does the bill only do what is needed to address the issues we have raised. The response was yes. We have remained vigilant on not wanting to change anything outside of that scope. Our intent has always been to resolve the three identified issues. Capitol Dental Care reached out to several CCOs during the bill drafting process to share language and get input. Their responses have been very helpful in crafting the bill.

As important as what SB 695 does, it is equally important what it does not do. It does not change existing CCO and DCO contracting agreements. It does not change future CCO or DCO contracting agreements. It does not change that the majority of the OHP enrollees will be enrolled in a CCO and receive their dental services through a CCO. It does not 'create' exceptions to CCO enrollment that are not already allowed in statute. It does not change anything a CCO can do as a direct contractor with the state in delivering OHP dental services.

Capitol Dental Care remains committed to partnering with our contracted CCOs in delivering dental services. We hope to continue these relationships because the CCOs have found us to be a valuable partner as a subcontractor. We are an organization that delivers dental services to 'only' OHP enrollees and would like to continue as a PHP DCO without needing an insurer certificate from DCBS as either a subcontractor to a CCO and/or a direct contractor with the state.

Thank you for the opportunity to testify and for your support of this bill.