

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2696 - A**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires Oregon Health Authority to collaborate with coordinated care organizations to develop uniform audit processes and forms to be used by authority and contractors of authority.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

House Bill 2696 directs the Oregon Health Authority (OHA) to conduct one external quality review (EQR) of each coordinated care organization (CCO) annually. The bill permits OHA to contract with an external quality review organization (EQRO) for the review. OHA is required to disseminate information collected about delegated entities (i.e. dental care organizations, mental health organizations and other similar organizational providers that contract with multiple CCOs to provide services to medical assistance recipients) to CCOs. OHA, or the EQRO, is prohibited from seeking information from a CCO if the information has already been collected from another CCO. OHA is required to provide an EQRO with all information about a CCO that is in the authority's possession as necessary. The EQRO must request this information first of OHA before they request it from the CCO.

As written, the fiscal impact of this bill on OHA is indeterminate because the requirements of the bill may not align with federal requirements. Currently, Medicaid programs have a federal requirement for EQR. Medical Assistance Programs (MAP) already contracts for this activity. Federal regulations already set forth the parameters that states must follow when conducting an EQR, including the collection and sharing of the information.

However, as written, House Bill 2696 does not allow MAP and an EQRO the ability to address all the federal protocols in developing accurate reports and findings due to the unique organization and contracting done by the CCOs between the same contracted entities. Under federal protocol, proprietary information, peer review information and specific contracted information may be requested depending on the CCO findings and follow up.

In addition, because the notification, collection and sharing of information about delegated entities in this bill is not limited to information gathered from an EQR, passage of the bill could significantly increase the amount of information that OHA will have to provide to a EQRO. If this is the consequence of this bill, OHA, anticipates a substantial increase in workload and systems requirements for the Provider Audit Unit and Personal Injury Lien Unit. Passage of this bill could require OHA to maintain all information about delegated entities eternally. If this is the case, OHA would need to research through all of the records to see if the authority has already obtained the information it needs before asking a CCO a question. This would require additional staffing as well as the development of a complex and robust database. At this time, OHA cannot estimate the cost of such a database because the agency cannot gather the sufficient requirements for a Request for Proposal for such a database in a short time frame.