

# House Bill 2477

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Oregon Health Authority to exercise procurement authority under Public Contracting Code and under supervision of Oregon Department of Administrative Services, except in limited circumstances.

Becomes operative January 1, 2016.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to procurement authority for the Oregon Health Authority; creating new provisions;  
3 amending ORS 127.666, 279A.050, 413.033, 413.450, 414.651, 431.264 and 475.225 and section 1,  
4 chapter 77, Oregon Laws 2014; and declaring an emergency.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 127.666 is amended to read:

7 127.666. (1) The Oregon Health Authority shall establish and operate a statewide registry for  
8 [*the collection and dissemination of*] **collecting and disseminating** physician orders for life-  
9 sustaining treatment to help ensure that medical treatment preferences for an individual nearing the  
10 end of the individual's life are honored.

11 (2) The authority shall adopt rules for the registry, including but not limited to rules that:

12 (a) Require submission of the following documents to the registry, unless the patient has re-  
13 quested to opt out of the registry:

14 (A) A copy of each POLST;

15 (B) A copy of a revised POLST; and

16 (C) Notice of any known revocation of a POLST;

17 (b) Prescribe the manner for submitting information described in paragraph (a) of this sub-  
18 section;

19 (c) Require the release of registry information to authorized users for treatment purposes;

20 (d) Authorize notification by the registry to specified persons of the receipt, revision or revo-  
21 cation of a POLST; and

22 (e) Establish procedures to protect the accuracy and confidentiality of information submitted to  
23 the registry.

24 (3) The authority may permit qualified researchers to access registry data. If the authority per-  
25 mits qualified researchers to have access to registry data, the authority shall adopt rules governing  
26 the access to data that shall include but need not be limited to:

27 (a) The process for a qualified researcher to request access to registry data;

28 (b) The types of data that a qualified researcher may be provided from the registry; and

29 (c) The manner by which a researcher must protect registry data obtained under this subsection.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (4) The authority may contract with a private or public entity to establish or maintain the  
2 registry[, *and such contract is exempt from the requirements of ORS chapters 279A, 279B and 279C*].

3 **SECTION 2.** ORS 279A.050 is amended to read:

4 279A.050. (1)(a) Except as otherwise provided in the Public Contracting Code, a contracting  
5 agency shall exercise all procurement authority in accordance with the provisions of the Public  
6 Contracting Code.

7 (b) [*When*] **If** a contracting agency has authority under this section to carry out functions de-  
8 scribed in this section, or has authority to make procurements under a provision of law other than  
9 the Public Contracting Code, the contracting agency [*is not required to*] **need not** exercise [*that*] **the**  
10 **contracting agency's** authority in accordance with the provisions of the code if, under ORS  
11 279A.025, the code does not apply to the contract or contracting [*authority*] **agency**.

12 (2) Except as otherwise provided in the Public Contracting Code, for state agencies the Director  
13 of the Oregon Department of Administrative Services has all the authority to carry out the pro-  
14 visions of the Public Contracting Code.

15 (3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation  
16 has all the authority to:

17 (a) Procure or supervise the procurement of all services and personal services to construct, ac-  
18 quire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking  
19 facilities in connection with any public transportation system in accordance with ORS 184.689 (5);

20 (b) Procure or supervise the procurement of all goods, services, public improvements and per-  
21 sonal services [*relating to the operation, maintenance or construction of*] **that relate to operating,**  
22 **maintaining or constructing** highways, bridges and other transportation facilities that are subject  
23 to the authority of the Department of Transportation; and

24 (c) Establish standards for, prescribe forms for and conduct the prequalification of prospective  
25 bidders on public improvement contracts [*related to the operation, maintenance or construction of*]  
26 **that relate to operating, maintaining or constructing** highways, bridges and other transportation  
27 facilities that are subject to the authority of the Department of Transportation.

28 (4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has all  
29 the authority to procure or supervise the procurement of goods, services and personal services re-  
30 lated to programs under the authority of the Secretary of State.

31 (5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has all the  
32 authority to procure or supervise the procurement of goods, services and personal services related  
33 to programs under the authority of the State Treasurer.

34 (6) The state agencies listed in this subsection have all the authority to do the following in ac-  
35 cordance with the Public Contracting Code:

36 (a) The Department of Human Services to procure or supervise the procurement of goods, ser-  
37 vices and personal services under ORS 179.040 for the department's institutions and the procurement  
38 of goods, services and personal services for [*the construction, demolition, exchange, maintenance, op-*  
39 *eration*] **constructing, demolishing, exchanging, maintaining, operating** and equipping [*of*] hous-  
40 ing for the purpose of providing care to individuals with intellectual disabilities or other  
41 developmental disabilities, subject to applicable provisions of ORS 427.335;

42 (b) The Oregon Health Authority to procure or supervise the procurement of goods, services and  
43 personal services under ORS 179.040 and construction materials, equipment and supplies for the  
44 authority's institutions and the procurement of goods, services, personal services, construction ma-  
45 terials, equipment and supplies for [*the construction, demolition, exchange, maintenance, operation*]

1 **constructing, demolishing, exchanging, maintaining, operating** and equipping [of] housing for  
 2 [persons] **individuals** with chronic mental illness, subject to applicable provisions of ORS 426.504;

3 (c) The State Department of Fish and Wildlife to procure or supervise the procurement of con-  
 4 struction materials, equipment, supplies, services and personal services for public improvements,  
 5 public works or ordinary construction described in ORS 279C.320 that is subject to the authority  
 6 of the State Department of Fish and Wildlife;

7 (d) The State Parks and Recreation Department to procure or supervise the procurement of all  
 8 goods, services, public improvements and personal services [relating] **related** to state parks;

9 (e) The Oregon Department of Aviation to procure or supervise the procurement of construction  
 10 materials, equipment, supplies, services and personal services for public improvements, public works  
 11 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon  
 12 Department of Aviation;

13 (f) The Oregon Business Development Department to procure or supervise the procurement of  
 14 all goods, services, personal services and public improvements related to its foreign trade offices  
 15 operating outside the state;

16 (g) The Housing and Community Services Department to procure or supervise the procurement  
 17 of goods, services and personal services as provided in ORS 279A.025 (2)(n);

18 (h) The Department of Corrections to procure or supervise the procurement of construction  
 19 materials, equipment, supplies, services and personal services for public improvements, public works  
 20 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Depart-  
 21 ment of Corrections;

22 (i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120,  
 23 279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods, ser-  
 24 vices and personal services under ORS 179.040 for its institutions;

25 (j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate  
 26 broker and principal real estate broker services related to programs under the department's au-  
 27 thority;

28 (k) The Oregon Military Department to procure or supervise the procurement of construction  
 29 materials, equipment, supplies, services and personal services for public improvements, public works  
 30 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon  
 31 Military Department;

32 (L) The Department of Education, subject to any applicable provisions of ORS 329.075, 329.085  
 33 and 329.485 and the federal No Child Left Behind Act of 2001 (P.L. 107-110, 115 Stat. 1425), to pro-  
 34 cure or supervise the procurement of goods, services, personal services and information technology  
 35 [relating] **related** to student assessment; and

36 (m) Any state agency to conduct a procurement when the agency is specifically authorized by  
 37 any provision of law other than the Public Contracting Code to enter into a contract.

38 (7)(a) Notwithstanding this section and ORS 279A.140 (1), the Director of the Oregon Depart-  
 39 ment of Administrative Services has exclusive authority, unless the director delegates this authority,  
 40 to procure or supervise the procurement of:

41 (A) All price agreements on behalf of the state agencies identified in subsection (6)(a) to (k) of  
 42 this section under which more than one state agency may order goods, services, [or] personal ser-  
 43 vices, **construction materials, equipment or supplies**; and[, *except for contracts procured by the*  
 44 *Oregon Health Authority,*]

45 (B) All state agency information technology contracts.

1 (b) This subsection does not apply to contracts under which the contractor delivers to the state  
 2 agency information technology products or services incidental to the performance of personal ser-  
 3 vices contracts described in ORS chapter 279C or construction contracts described in ORS chapter  
 4 279C.

5 (c) A state agency identified in subsection (3) or (6)(a) to (k) of this section may not establish  
 6 a price agreement or enter into a contract for goods, services, personal services, construction ma-  
 7 terials, equipment or supplies without the approval of the director if the director has established a  
 8 price agreement for the goods, services, [or] personal services, **construction materials, equipment**  
 9 **or supplies.**

10 **SECTION 3.** Section 1, chapter 77, Oregon Laws 2014, is amended to read:

11 **Sec. 1.** (1) As used in this section:

12 (a)(A) “Information technology initiative” means a project to develop or provide, with the state  
 13 contracting agency’s or public corporation’s own personnel and resources, or to obtain by means of  
 14 a procurement or set of related procurements:

15 (i) New hardware, software or services for data processing, office automation or telecommuni-  
 16 cations;

17 (ii) An overhaul, upgrade or replacement of a substantial portion of the hardware or software  
 18 in an existing data processing, office automation or telecommunications system; or

19 (iii) A substantial expansion of existing data processing, office automation or telecommuni-  
 20 cations services.

21 (B) “Information technology initiative” does not include:

22 (i) A procurement for preliminary quality assurance services or quality management services;

23 (ii) A routine update to or purchase of hardware or software within an existing data processing,  
 24 office automation or telecommunications system;

25 (iii) A renewal of an existing contract for data processing, office automation or telecommuni-  
 26 cations services under terms and conditions that are substantially the same as in the existing con-  
 27 tract; or

28 (iv) A replacement of a component of an existing data processing, office automation or tele-  
 29 communications system that is not essential for the system to function as designed or that occurs  
 30 at the end of the component’s anticipated life cycle.

31 (b) “Preliminary quality assurance services” means a set of services in which a contractor pro-  
 32 vides an independent and objective review of a state contracting agency’s or a public corporation’s  
 33 plans, specifications, estimates, documentation, available resources and overall purpose for an in-  
 34 formation technology initiative, including services in which the contractor evaluates a proposed in-  
 35 formation technology initiative against applicable quality standards and best practices from private  
 36 industry and other sources.

37 (c) “Procurement” has the meaning given that term in ORS 279A.010.

38 (d)(A) “Public corporation” means a corporation:

39 (i) The operations of which are subject to control by this state or by an agency or  
 40 instrumentality of this state, or by officers of this state or of an agency or instrumentality of this  
 41 state;

42 (ii) That is organized, at least in part, to serve a public purpose; and

43 (iii) That receives public funds or other support from an entity described in sub-subparagraph  
 44 (i) of this subparagraph.

45 (B) “Public corporation” does not include:

- 1 (i) A person or entity described in ORS 174.108 (3);
- 2 (ii) A city, county, local service district, school district, education service district, community  
3 college district or community college service district or a university with a governing board listed  
4 in ORS 352.054; or
- 5 (iii) An administrative subdivision of an entity described in sub-subparagraph (ii) of this sub-  
6 paragraph.
- 7 (e) “Quality management services” means a set of services in which a contractor provides an  
8 independent and objective review and evaluation of a state contracting agency’s, a public  
9 corporation’s or another contractor’s performance with respect to an information technology initi-  
10 ative, such as services in which the contractor:
- 11 (A) Identifies quality standards that apply or should apply to the information technology initi-  
12 ative;
- 13 (B) Suggests methods and means by which the state contracting agency, the public corporation  
14 or the other contractor may meet quality standards identified in subparagraph (A) of this paragraph;
- 15 (C) Reviews and evaluates the state contracting agency’s, the public corporation’s or the other  
16 contractor’s performance regularly as the information technology initiative progresses from start to  
17 finish;
- 18 (D) Identifies omissions or gaps in the state contracting agency’s, the public corporation’s or the  
19 other contractor’s planning, execution, control, methodology, communication or reporting as the in-  
20 formation technology initiative progresses from start to finish;
- 21 (E) Identifies risks in the state contracting agency’s, the public corporation’s or the other  
22 contractor’s plans or approach to designing, developing or implementing the information technology  
23 initiative and suggests methods to reduce, mitigate or eliminate the risks;
- 24 (F) Assists the state contracting agency or the public corporation in testing or otherwise eval-  
25 uating the hardware, software or services that are developed, provided or obtained as part of an  
26 information technology initiative to determine whether the hardware, software or services conform  
27 with the quality standards identified in subparagraph (A) of this paragraph;
- 28 (G) Advises the state contracting agency or the public corporation as to whether the hardware,  
29 software or services that are developed, provided or obtained as part of an information technology  
30 initiative meet the contracting agency’s or the public corporation’s needs, specifications or expec-  
31 tations and otherwise enable the state contracting agency or the public corporation to achieve the  
32 objectives for the information technology initiative; or
- 33 (H) Identifies unsatisfactory performance and suggests methods the state contracting agency, the  
34 public corporation or the other contractor might use to eliminate the causes of unsatisfactory per-  
35 formance.
- 36 (f) “State contracting agency” has the meaning given that term in ORS 279A.010.
- 37 (2)(a) A state contracting agency or a public corporation that implements an information tech-  
38 nology initiative shall obtain quality management services from a qualified contractor if the value  
39 of the information technology initiative exceeds \$5 million or if the information technology initiative  
40 meets criteria or standards that the State Chief Information Officer or the Director of the Oregon  
41 Department of Administrative Services specifies by rule or policy.
- 42 (b) A state contracting agency or public corporation may, subject to ORS 279B.040, procure  
43 preliminary quality assurance services from a contractor if the information technology initiative  
44 meets the standards set forth in paragraph (a) of this subsection or if the state contracting agency  
45 or public corporation otherwise believes that the preliminary quality assurance services will enable

1 the contracting agency or public corporation to implement an information technology initiative  
2 successfully.

3 (3) A state contracting agency or public corporation may not artificially divide or fragment an  
4 information technology initiative so as to avoid the application of this section.

5 (4)[(a)] Notwithstanding any procurement authority that a state contracting agency or a public  
6 corporation has that is not subject to the authority of the Director of the Oregon Department of  
7 Administrative Services under ORS 279A.050 (2) or (7), the state contracting agency or public cor-  
8 poration is subject to the provisions of subsection (2) of this section and shall consult with and fol-  
9 low the rules, policies and procedures of the State Chief Information Officer and the Oregon  
10 Department of Administrative Services in determining the extent of preliminary quality assurance  
11 services or quality management services that the state contracting agency or public corporation will  
12 require for an information technology initiative.

13 [(b) *Notwithstanding the Oregon Health Authority's exemption in ORS 279A.050 (7) from the au-*  
14 *thority that the Oregon Department of Administrative Services has over all state agency information*  
15 *technology procurements, the Oregon Health Authority shall consult with and follow the rules, policies*  
16 *and procedures of the State Chief Information Officer and the Oregon Department of Administrative*  
17 *Services in determining the extent of preliminary quality assurance services or quality management*  
18 *services that the state contracting agency or public corporation will require for an information tech-*  
19 *nology initiative.*]

20 (5)(a) If a state contracting agency or a public corporation awards a contract for preliminary  
21 quality assurance services or quality management services, the contract must provide that at the  
22 same time a contractor provides a preliminary or final report to the contract administrator, the  
23 contractor shall also provide a copy of the report to:

24 (A) The State Chief Information Officer;

25 (B) The Director of the Oregon Department of Administrative Services; and

26 (C) As appropriate for the specific information technology initiative, to:

27 (i) The director of the state contracting agency or, if a board or commission sets policy for the  
28 state contracting agency, to the board or commission; or

29 (ii) The governing body of the public corporation.

30 (b) The state contracting agency or public corporation shall provide the contractor with names,  
31 addresses and other contact information the contractor needs to comply with paragraph (a) of this  
32 subsection.

33 (6) This section does not apply to the Secretary of State or the State Treasurer.

34 **SECTION 4.** ORS 413.033 is amended to read:

35 413.033. (1) The Oregon Health Authority is under the supervision and control of a director, who  
36 is responsible for [*the performance of*] **performing** the duties, functions and powers of the authority.

37 (2) The Governor shall appoint the Director of the Oregon Health Authority, who holds office  
38 at the pleasure of the Governor. The appointment of the director [*shall be*] **is** subject to confirmation  
39 by the Senate in the manner provided by ORS 171.562 and 171.565.

40 [(3)(a) *In addition to the procurement authority granted by ORS 179.040 and 279A.050, the director*  
41 *shall have all powers necessary to effectively and expeditiously carry out the duties, functions and*  
42 *powers vested in the authority by ORS 413.032, and the duties, functions and powers that are shared*  
43 *by or delegated to the authority with respect to the following agencies:]*

44 [(A) *The Oregon Department of Administrative Services;*]

45 [(B) *The Department of Consumer and Business Services; and*]

1 [(C) *The Department of Human Services.*]

2 [(b) *With respect to procurements and contracts that the authority is authorized to conduct or*  
 3 *manage, the director may make procurements on behalf of, and supervise the procurement, establish-*  
 4 *ment and administration of contracts entered into by, the departments described in paragraph (a) of this*  
 5 *subsection.*]

6 [(c) *Notwithstanding ORS 279B.085, the director may approve a special procurement under para-*  
 7 *graph (b) of this subsection that:*]

8 [(A) *Describes the proposed contracting procedure and the goods or services, or the class of goods*  
 9 *or services, to be acquired through the special procurement;*]

10 [(B) *Is unlikely to encourage favoritism in the awarding of public contracts or to substantially di-*  
 11 *minish competition for public contracts; and*]

12 [(C) *Is reasonably expected to result in substantial cost savings to the authority or to the public.*]

13 [(d) *The director shall give public notice of the approval of a proposed special procurement as*  
 14 *provided by the authority by rule. The requirements applicable to the Director of the Oregon Depart-*  
 15 *ment of Administrative Services under ORS 279B.400 apply to the Director of the Oregon Health Au-*  
 16 *thority with respect to special procurements under this subsection.*]

17 [(e) *Notwithstanding ORS 279C.335, the director may exempt a public improvement contract or a*  
 18 *class of public improvement contracts that the authority is authorized to conduct or manage from the*  
 19 *competitive bidding requirements of ORS 279C.335 (1) if the director makes the findings described in*  
 20 *ORS 279C.335 (2). The provisions in ORS 279C.335 (3) to (8) with respect to the Director of the Oregon*  
 21 *Department of Administrative Services apply to the Director of the Oregon Health Authority for ex-*  
 22 *emptions granted by the director under this subsection.*]

23 [(4) (3) The director *[shall have the power to obtain such other services as]* **may at the**  
 24 **director's discretion obtain services that** the director considers necessary or desirable, **other**  
 25 **than services that would require the director to conduct a procurement or enter into a**  
 26 **contract under ORS chapter 279A, 279B or 279C. The services may include** *[including]* partic-  
 27 ipation in organizations of state insurance supervisory officials and appointment of advisory com-  
 28 mittees. A member of an advisory committee so appointed *[shall]* **may not** receive *[no]* compensation  
 29 for services as a member, but, subject to any other applicable law regulating travel and other ex-  
 30 penses of state officers, shall receive actual and necessary travel and other expenses incurred in  
 31 *[the performance of]* **performing** official duties.

32 [(5) (4) The director may apply for, receive and accept grants, gifts or other payments, including  
 33 property or services from any governmental or other public or private person, and may make ar-  
 34 rangement *[for the]* **to** use *[of]* the receipts, including *[the]* **for** undertaking *[of]* special studies and  
 35 other projects *[relating]* **that relate** to the costs of health care, access to health care, public health  
 36 and health care reform.

37 **SECTION 5.** ORS 413.450 is amended to read:

38 413.450. (1) The Oregon Health Authority shall approve continuing education opportunities re-  
 39 lating to cultural competency.

40 (2) The authority shall develop a list of continuing education opportunities relating to cultural  
 41 competency and make the list available to each board, as defined in ORS 676.850.

42 (3) The continuing education opportunities may include, but need not be limited to:

- 43 (a) Courses delivered either in person or electronically;
- 44 (b) Experiential learning such as cultural or linguistic immersion;
- 45 (c) Service learning; or

1 (d) Specially designed cultural experiences.

2 (4) The continuing education opportunities must teach attitudes, knowledge and skills that enable a health care professional to care effectively for patients from diverse cultures, groups and communities, including but not limited to:

3 (a) Applying linguistic skills to communicate effectively with patients from diverse cultures, groups and communities;

4 (b) Using cultural information to establish therapeutic relationships; and

5 (c) Eliciting, understanding and applying cultural and ethnic data in the process of clinical care.

6 (5) The authority may accept gifts, grants or contributions from any public or private source for the purpose of carrying out this section. Moneys received by the authority under this subsection shall be deposited into the Oregon Health Authority Fund established by ORS 413.101.

7 (6) The authority may contract with or award grant funding to a public or private entity to develop the list of or offer approved continuing education opportunities relating to cultural competency. *[The authority is not subject to the requirements of ORS chapters 279A, 279B and 279C with respect to contracts entered into under this subsection.]*

8 **SECTION 6.** ORS 414.651 is amended to read:

9 414.651. (1)(a) The Oregon Health Authority shall use, to the greatest extent possible, coordinated care organizations to provide fully integrated physical health services, chemical dependency and mental health services and oral health services. This section, and any contract entered into pursuant to this section, does not affect and may not alter the delivery of Medicaid-funded long term care services.

10 (b) The authority shall execute contracts with coordinated care organizations that meet the criteria adopted by the authority under ORS 414.625. *[Contracts under this subsection are not subject to ORS chapters 279A and 279B, except ORS 279A.250 to 279A.290 and 279B.235.]*

11 (c) The authority shall establish financial reporting requirements for coordinated care organizations. The authority shall prescribe a reporting procedure that elicits sufficiently detailed information for the authority to assess the financial condition of each coordinated care organization and that:

12 (A) Enables the authority to verify that the coordinated care organization's reserves and other financial resources are adequate to ensure against the risk of insolvency; and

13 (B) Includes information on the three highest executive salary and benefit packages of each coordinated care organization.

14 (d) The authority shall hold coordinated care organizations, contractors and providers accountable for timely submission of outcome and quality data, including but not limited to data described in ORS 442.466, prescribed by the authority by rule.

15 (e) The authority shall require compliance with the provisions of paragraphs (c) and (d) of this subsection as a condition of entering into a contract with a coordinated care organization. A coordinated care organization, contractor or provider that fails to comply with paragraph (c) or (d) of this subsection may be subject to sanctions, including but not limited to civil penalties, barring any new enrollment in the coordinated care organization and termination of the contract.

16 (f)(A) The authority shall adopt rules and procedures to ensure that if a rural health clinic provides a health service to a member of a coordinated care organization, and the rural health clinic is not participating in the member's coordinated care organization, the rural health clinic receives total aggregate payments from the member's coordinated care organization, other payers on the claim and the authority that are no less than the amount the rural health clinic would receive in



1 the authority's fee-for-service payment system. The authority shall issue a payment to the rural  
2 health clinic in accordance with this subsection within 45 days of receipt by the authority of a  
3 completed billing form.

4 (B) "Rural health clinic," as used in this paragraph, shall be defined by the authority by rule  
5 and shall conform, as far as practicable or applicable in this state, to the definition of that term in  
6 42 U.S.C. 1395x(aa)(2).

7 (2) The authority may contract with providers other than coordinated care organizations to  
8 provide integrated and coordinated health care in areas that are not served by a coordinated care  
9 organization or where the organization's provider network is inadequate. [*Contracts authorized by*  
10 *this subsection are not subject to ORS chapters 279A and 279B, except ORS 279A.250 to 279A.290 and*  
11 *279B.235.*]

12 (3) As provided in subsections (1) and (2) of this section, the aggregate expenditures by the au-  
13 thority for health services provided pursuant to ORS 414.631, 414.651 and 414.688 to 414.745 may not  
14 exceed the total dollars appropriated for health services under ORS 414.631, 414.651 and 414.688 to  
15 414.745.

16 (4) Actions taken by providers, potential providers, contractors and bidders in specific accord-  
17 ance with ORS 414.631, 414.651 and 414.688 to 414.745 in forming consortiums or in otherwise en-  
18 tering into contracts to provide health care services shall be performed pursuant to state  
19 supervision and shall be considered to be conducted at the direction of this state, shall be consid-  
20 ered to be lawful trade practices and may not be considered to be the transaction of insurance for  
21 purposes of the Insurance Code.

22 (5) Health care providers contracting to provide services under ORS 414.631, 414.651 and 414.688  
23 to 414.745 shall advise a patient of any service, treatment or test that is medically necessary but  
24 not covered under the contract if an ordinarily careful practitioner in the same or similar commu-  
25 nity would do so under the same or similar circumstances.

26 (6) A coordinated care organization shall provide information to a member as prescribed by the  
27 authority by rule, including but not limited to written information, within 30 days of enrollment with  
28 the coordinated care organization about available providers.

29 (7) Each coordinated care organization shall work to provide assistance that is culturally and  
30 linguistically appropriate to the needs of the member to access appropriate services and participate  
31 in processes affecting the member's care and services.

32 (8) Each coordinated care organization shall provide upon the request of a member or prospec-  
33 tive member annual summaries of the organization's aggregate data regarding:

34 (a) Grievances and appeals; and

35 (b) Availability and accessibility of services provided to members.

36 (9) A coordinated care organization may not limit enrollment in a geographic area based on the  
37 zip code of a member or prospective member.

38 **SECTION 7.** ORS 431.264 is amended to read:

39 431.264. (1) Unless the Governor has declared a public health emergency under ORS 433.441, the  
40 Public Health Director may, upon approval of the Governor or the designee of the Governor, take  
41 the public health actions described in subsection (2) of this section if the Public Health Director  
42 determines that:

43 (a)(A) A communicable disease, reportable disease, disease outbreak, epidemic or other condition  
44 of public health importance has affected more than one county;

45 (B) There is an immediate need for a consistent response from the state in order to adequately

1 protect the public health;

2 (C) The resources of the local public health authority or authorities are likely to be quickly  
3 overwhelmed or unable to effectively manage the required response; and

4 (D) There is a significant risk to the public health; or

5 (b) A communicable disease, reportable disease, disease outbreak, epidemic or other condition  
6 of public health importance is reported in Oregon and is an issue of significant regional or national  
7 concern or is an issue for which there is significant involvement from federal authorities requiring  
8 state-federal coordination.

9 (2) The Public Health Director, after making the determinations required under subsection (1)  
10 of this section, may take the following public health actions:

11 (a) Coordinate the public health response across jurisdictions.

12 (b) Prescribe measures for the:

13 (A) Identification, assessment and control of the communicable disease or reportable disease,  
14 disease outbreak, epidemic or other condition of public health importance; and

15 (B) Allocation and distribution of antitoxins, serums, vaccines, immunizing agents, antibiotics,  
16 antidotes and other pharmaceutical agents, medical supplies or personal protective equipment.

17 (c) After consultation with appropriate medical experts, create and require the use of diagnostic  
18 and treatment guidelines and provide notice of those guidelines to health care providers, institutions  
19 and facilities.

20 (d) Require a person to obtain treatment and use appropriate prophylactic measures to prevent  
21 the introduction or spread of a communicable disease or reportable disease, unless:

22 (A) The person has a medical diagnosis for which a vaccination is contraindicated; or

23 (B) The person has a religious or conscientious objection to the required treatments or  
24 prophylactic measures.

25 (e) Notwithstanding ORS 332.075, direct a district school board to close a children's facility or  
26 school under the jurisdiction of the board. The authority granted to the Public Health Director un-  
27 der this paragraph supersedes the authority granted to the district school board under ORS 332.075  
28 to the extent the authority granted to the board is inconsistent with the authority granted to the  
29 director.

30 (f) Issue guidelines for private businesses regarding appropriate work restrictions.

31 (g) Organize public information activities regarding the public health response to circumstances  
32 described in subsection (1) of this section.

33 (h) Adopt reporting requirements for, and provide notice of those reporting requirements to,  
34 health care providers, institutions and facilities for the purpose of obtaining information directly  
35 related to the public health threat presented.

36 (i) Take control of antitoxins, serums, vaccines, immunizing agents, antibiotics, antidotes and  
37 other pharmaceutical agents, medical supplies or personal protective equipment.

38 (3) The authority granted to the Public Health Director under this section is not intended to  
39 override the general authority provided to a local public health authority except as already per-  
40 mitted by law, or under the circumstances described in subsection (1) of this section.

41 (4) If the Oregon Health Authority adopts temporary rules to implement subsection (2) of this  
42 section, the rules adopted are not subject to the provisions of ORS 183.335 (6)(a). The authority may  
43 amend the temporary rules adopted under this subsection as often as is necessary to respond to the  
44 public health threat.

45 *[(5) If it is necessary for the authority to purchase antitoxins, serums, vaccines, immunizing agents,*

1 *antibiotics, antidotes or other pharmaceutical agents, medical supplies or personal protective equipment,*  
 2 *the purchases are not subject to the provisions of ORS chapter 279A, 279B or 279C.]*

3 [(6)] (5) If property is taken under the authority granted to the Public Health Director under  
 4 subsection (2) of this section, the owner of the property is entitled to reasonable compensation from  
 5 the state.

6 **SECTION 8.** ORS 475.225 is amended to read:

7 475.225. (1) The Oregon Health Authority shall carry out educational programs designed to  
 8 prevent and deter misuse and abuse of controlled substances. In connection with these programs it  
 9 may:

10 (a) Promote better recognition of the problems of misuse and abuse of controlled substances  
 11 within the regulated industry and among interested groups and organizations;

12 (b) Assist the regulated industry and interested groups and organizations in contributing to the  
 13 reduction of misuse and abuse of controlled substances;

14 (c) Consult with interested groups and organizations to aid them in solving administrative and  
 15 organizational problems;

16 (d) Evaluate procedures, projects, techniques and controls conducted or proposed as part of ed-  
 17 ucational programs on misuse or abuse of controlled substances;

18 (e) Disseminate the results of research on misuse and abuse of controlled substances to promote  
 19 a better public understanding of what problems exist and what can be done to combat them; and

20 (f) Assist in the education and training of state and local law enforcement officials in their ef-  
 21 forts to control misuse and abuse of controlled substances.

22 (2) The authority shall encourage research on the medical use, misuse and abuse of controlled  
 23 substances. In connection with the research, and in furtherance of the enforcement of ORS 475.005  
 24 to 475.285 and 475.752 to 475.980, it may:

25 (a) Establish methods to assess accurately the physiological, psychological and social effects of  
 26 controlled substances and identify their medical uses, relative hazard potential, and potential for  
 27 abuse;

28 (b) Make studies and undertake programs of research to:

29 (A) Develop new or improved approaches, techniques, systems, equipment and devices to  
 30 strengthen the enforcement of ORS 475.005 to 475.285 and 475.752 to 475.980;

31 (B) Determine patterns of use, misuse and abuse of controlled substances and the social effects  
 32 thereof; and

33 (C) Improve methods for preventing, predicting, understanding and dealing with the misuse and  
 34 abuse of controlled substances; or

35 (c) Enter into contracts with public agencies, institutions of higher education, and private or-  
 36 ganizations or individuals for the purpose of conducting research, demonstrations or special projects  
 37 which bear directly on misuse and abuse of controlled substances.

38 (3) The authority may enter into contracts for educational and research activities without per-  
 39 formance bonds and without regard to ORS [279A.125, 279A.140, 279B.025, 279B.240, 279B.270,  
 40 279B.275, 279B.280,] 459A.475, 459A.480, 459A.485 and 459A.490.

41 **SECTION 9.** The amendments to ORS 127.666, 279A.050, 413.033, 413.450, 414.651, 431.264  
 42 and 475.225 and section 1, chapter 77, Oregon Laws 2014, by sections 1 to 8 of this 2015 Act  
 43 apply to procurements that the Oregon Health Authority advertises or otherwise solicits on  
 44 or after the operative date specified in section 10 of this 2015 Act.

45 **SECTION 10.** (1) The amendments to ORS 127.666, 279A.050, 413.033, 413.450, 414.651,

1 431.264 and 475.225 and section 1, chapter 77, Oregon Laws 2014, by sections 1 to 8 of this 2015  
2 Act become operative January 1, 2016.

3 (2) The Director of the Oregon Health Authority and the Director of the Oregon De-  
4 partment of Administrative Services may take any action before the operative date specified  
5 in subsection (1) of this section that is necessary to enable the director to exercise, on and  
6 after the operative date specified in subsection (1) of this section, all of the duties, functions  
7 and powers conferred on the director by the amendments to ORS 127.666, 279A.050, 413.033,  
8 413.450, 414.651, 431.264 and 475.225 and section 1, chapter 77, Oregon Laws 2014, by sections  
9 1 to 8 of this 2015 Act.

10 SECTION 11. This 2015 Act being necessary for the immediate preservation of the public  
11 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect  
12 on its passage.  
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