



EXTERNAL RELATIONS DIVISION

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February 18, 2016

The Honorable Laurie Monnes Anderson  
Chair, Senate Committee on Health Care  
900 Court St NE  
Salem, OR 97301

Re: House Bill 4107A

Dear Chair Monnes Anderson and the Senate Committee on Health Care,

The Oregon Health Authority appreciates the opportunity to testify on House Bill 4107 and the need for the addition of the –A4 amendments.

HB 4107A would prohibit OHA from retroactively changing terms of the contract of a coordinated care organization (CCO) through a contract amendment unless certain conditions are met. These conditions include that the change would not result in a claim by OHA for a financial recovery of funds paid to a CCO prior to the effective date of the contract amendment, or that the amendment is necessary to comply with federal law. The bill also clarifies that proposed changes in a CCO's global budget (i.e. rates paid to the CCOs) must be given to CCOs with 60-days advance notice. OHA is neutral on this bill with the two clarifications contained in the –A4 amendments: 1) that it only applies prospectively beginning January 1, 2017; and 2) that contract changes may occur when required by the Center for Medicare and Medicaid Services (CMS) to receive their approval.

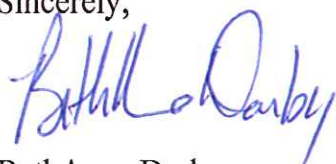
After HB 4107-A passed out of the House Health Care Committee questions and confusion arose over the effective date. This –A4 amendment clarifies that this bill applies only to future contract amendments (beginning January 1, 2017) but does not disrupt or impact existing signed contracts and contract amendments. The contracts of all CCOs will be disrupted if HB 4107-A were to apply to contract amendments that have already been signed and submitted to CMS for approval.

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Additionally, the –A4 amendments clarify that a retroactive change could be made if it is necessary to comply with federal law or to receive contract approval by the Center for Medicare and Medicaid Services (CMS). As OHAs federal partner in the Medicaid program, CMS has final say on CCO contracts and can require OHA to make changes not envisioned or captured during the development process with CCOs. CMS prefers to work collaboratively with states and OHA needs to maintain the ability to comply when required in order to receive CMS contract approval. The –A4s clarify that intent of the bill to allow retroactive provisions if required by CMS to gain contract approval.

Thank you for your consideration.

Sincerely,



BethAnne Darby  
External Relations Director