

FISCAL IMPACT OF PROPOSED LEGISLATION

78th Oregon Legislative Assembly – 2016 Regular Session
Legislative Fiscal Office

Measure: HB 4107 - B

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Kim To
Reviewed by: Linda Ames
Date: 2/24/2016

Measure Description:

Prohibits Oregon Health Authority from retroactively changing terms of contract with coordinated care organization unless specified conditions are met.

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:

This fiscal impact statement is for the purpose of transmitting House Bill 4107 from the Senate Committee on Health Care to the Senate Committee on Rules.

House Bill 4107 adds the global budget paid to a coordinated care organization (CCO) as part of the requirement that the Oregon Health Authority (OHA) must give at least 60 days advance notice of any proposed amendments to existing (or to be renewed) contracts between OHA and a CCO. This change will not have a fiscal impact on OHA as it does not require the authority to incur additional cost or make changes to current policy or procedures.

In addition, House Bill 4107 stipulates that an amendment to a contract may only apply retroactively if: (1) the amendment is necessitated by a change in federal law; or (2) if the amendment does not result in a claim by OHA for the recovery of amounts paid by OHA to a CCO prior to the date of the amendment. The bill contains an emergency clause and these mandates would be effective upon passage. The bill also specifies that these mandates apply to the terms of a contract between OHA and a CCO that are in effect on or after the effective date of this bill.

These mandates are anticipated to have a fiscal impact on the Oregon Health Authority.

A more complete fiscal analysis on the bill will be prepared as the measure is considered in the Senate Committee on Rules.