



RE: HB 2507

The Coalition for a Healthy Oregon (COHO) is an association of coordinated care organizations (CCOs) and affiliated companies that serve nearly half of our state's Medicaid population through the Oregon Health Plan. COHO believes that financial transparency and accountability of public funds is extremely important. However, we think the provisions in this measure are redundant, given the rigorous CCO financial disclosure requirements that already exist.

One of the overarching goals of Oregon's transformation was to improve transparency through CCO specific quality, efficiency, outcome and financial data made available to the public. That is why CCO enabling legislation (HB 3650, Section 13, subsection 3) outlined robust financial reporting expectations and required the Oregon Health Authority (OHA) to publish financial reports provided by the CCOs through their contracts.

Below are just a few of the financial disclosures CCOs are currently required to file with the state, but for a more exhaustive list, please see Exhibit L of the CCO contract submitted with this testimony.

1. Quarterly and annual statements of financial position
2. Annual actuarial certification of unpaid claim reserves
3. Annual calculation of risk-based capital or net worth
4. Retrospective cash flows
6. Administrative expenses related to the provision of health services
7. The three highest executive salary and benefit packages of each CCO
8. Information on the CCOs financial soundness, stability and ability to accept financial risk

All of this information, including the audited financial statements, which are administered by a third party, are publicly available online and can be viewed at no cost to tax payers. Additionally, the Oregon Health Authority is required to conduct annual external quality review audits under ORS 414.661.

COHO believes public reporting is a key element in Oregon's work to transform the state Medicaid system to be more transparent to members, stakeholders and the public, which is why we support maintaining the current financial reporting requirements for CCOs.