

SB 917 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst

Meeting Dates: 4/4

WHAT THE MEASURE DOES:

Requires a coordinated care organization (CCO) to establish an external review process for Medicaid enrollees to appeal service coverage decisions. Declares emergency, effective on passage.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon's 16 coordinated care organizations (CCOs) are organizations governed by health care providers, community members and organizations responsible for the financial risks that offer patient-centered health care delivery. CCOs are responsible for the integration and coordination of physical, mental, behavioral, and dental care services for 90 percent of Medicaid beneficiaries enrolled in the Oregon Health Plan (OHP). All 16 CCOs operate within a global budget, which grows at a fixed rate, achieve performance goals, and are held accountable for the Triple Aim. The Triple Aim seeks to improve the individual experience of care, improve the health of populations, and reduce the per-capita costs of care for populations.

The appeals process in Medicaid differs than the appeals processes found in commercial health insurance. Individuals enrolled in Medicaid are protected by the Due Process Clause of the U.S. Constitution. Moreover, federal law requires states to provide adequate notice and an opportunity for a hearing when state agency denies a medical service covered by Medicaid. The appeals system involves administrative hearings by the state agency (referred to as fair hearings) and an appeals process for individuals enrolled in managed care organizations (in Oregon, CCOs). Oregon law (ORS 414.635) provides certain protections for OHP members by protecting individuals from underutilization of services and inappropriate denials of services. The Oregon Health Authority, the state's Medicaid agency, is required to provide written a notice of appeal rights when an individual applies for benefits, or when changes are made in OHP that affects their covered benefits (Kaiser Family Foundation, March 2012).

Senate Bill 917 requires CCOs to establish an external review process for OHP members to appeal benefit decisions by a CCO.