

SENATE AMENDMENTS TO SENATE BILL 233

By COMMITTEE ON HEALTH CARE

April 24

1 On page 1 of the printed bill, delete lines 4 through 28 and delete pages 2 and 3 and insert:

2 **“SECTION 1. Sections 2 to 4 of this 2017 Act are added to and made a part of ORS**
3 **chapter 413.**

4 **“SECTION 2. As used in sections 2 to 4 of this 2017 Act:**

5 **“(1) ‘Actuarially sound’ means the method for establishing a global budget has taken into**
6 **account all reasonable, appropriate and attainable costs under the terms of a coordinated**
7 **care organization contract.**

8 **“(2) ‘Community benefit initiatives’ means innovative programs or projects that benefit**
9 **the health of the community, including but not limited to investments in health care man-**
10 **agement capabilities and increasing the capacity of the provider networks to serve the health**
11 **care needs of the community.**

12 **“(3) ‘Eligibility categories’ means the bases on which members of a coordinated care or-**
13 **ganization qualify for medical assistance.**

14 **“(4) ‘Flexible services’ means services that are provided in lieu of or as an adjunct to**
15 **covered services, such as items or services that address the social determinants of health.**

16 **“(5) ‘Social determinants of health’ means the conditions in which individuals are born,**
17 **grow, live, work and age, including but not limited to food, safe housing, economic opportu-**
18 **nities, health care, transportation and education.**

19 **“SECTION 3. (1) It is the intent of the Legislative Assembly that the expenditures of the**
20 **Oregon Health Authority in administering the medical assistance program and the manner**
21 **in which the authority establishes global budgets for coordinated care organizations be fully**
22 **transparent and available to the public at all times.**

23 **“(2) The authority shall make readily available to the public the following information:**

24 **“(a) All documentation submitted to the Centers for Medicare and Medicaid Services in**
25 **seeking federal approval of global budgets for coordinated care organizations.**

26 **“(b) All documents, financial data and health care utilization data considered by the au-**
27 **thority in calculating global budgets for coordinated care organizations, including but not**
28 **limited to the average utilization of each category of service per 1,000 members of the coor-**
29 **dated care organization, broken down by the geographic regions and eligibility categories**
30 **of the members.**

31 **“(3) The authority shall use accurate and uniform standards for measuring and reporting,**
32 **to the public, to the Legislative Assembly and to the Centers for Medicare and Medicaid**
33 **Services, medical loss ratios, administrative costs and earnings.**

34 **“(4) The data and documents described in this section may not be considered a trade se-**
35 **cret under ORS 192.501.**

1 **“SECTION 4. (1) The Oregon Health Authority shall determine the health services to be**
2 **provided by a coordinated care organization prior to establishing the global budget for the**
3 **coordinated care organization. The determination shall be made no more than once every**
4 **12-month period, unless changes are required by federal law or court order.**

5 **“(2) In establishing the global budget for a coordinated care organization for a calendar**
6 **year, the authority:**

7 **“(a) Shall use a single risk score statewide;**

8 **“(b) Shall include funding for clearly identified flexible services;**

9 **“(c) May not deduct for quality bonus funds received or quality expenditures made by a**
10 **coordinated care organization;**

11 **“(d) Shall not make line item adjustments to a coordinated care organization’s reported**
12 **expenses for medical care, flexible services or administration;**

13 **“(e) Shall adopt and apply a uniform percentage of revenue in determining administrative**
14 **expenses for all coordinated care organizations; and**

15 **“(f) Shall take into account the coordinated care organization’s:**

16 **“(A) Costs incurred, expenditures and reinvestment of savings into:**

17 **“(i) Providing health services; and**

18 **“(ii) Providing flexible services, community benefit initiatives and other means of ad-**
19 **dressing the social determinants of health; and**

20 **“(B) Financial arrangements that do not allow a coordinated care organization the op-**
21 **portunity to understate its earnings or reserves.**

22 **“(3) The data reporting requirements established by the authority for coordinated care**
23 **organizations must be uniform and sufficiently detailed to allow for comparisons of the data**
24 **between coordinated care organizations and must include the information required by section**
25 **3 of this 2017 Act.**

26 **“(4) The authority shall provide to each coordinated care organization, no later than**
27 **October 1 of each calendar year, the specific requirements and outcomes that the coordi-**
28 **nated care organization must satisfy in order to qualify for incentive payments in the fol-**
29 **lowing calendar year.**

30 **“(5) The authority’s actuary must certify that the final global budget for each coordi-**
31 **nated care organization is actuarially sound for each rate cell and publicly document the**
32 **underlying data, assumptions and methodologies used in doing so.**

33 **“(6) A coordinated care organization may contest the final global budget established for**
34 **the coordinated care organization by filing an appeal with the Department of Consumer and**
35 **Business Services in accordance with section 5 of this 2017 Act. The coordinated care or-**
36 **ganization may seek judicial review in accordance with ORS 183.480 to dispute a global budget**
37 **established by the authority following remand by the department under section 5 (3) of this**
38 **2017 Act.**

39 **“SECTION 5. (1) As used in this section, ‘actuarially sound’ has the meaning given that**
40 **term in section 2 of this 2017 Act.**

41 **“(2) The Department of Consumer and Business Services shall implement procedures,**
42 **consistent with ORS chapter 183, for the review of an appeal filed by a coordinated care or-**
43 **ganization under section 4 (6) of this 2017 Act. The review shall be de novo and shall consider,**
44 **upon the request of the coordinated care organization:**

45 **“(a) Whether the Oregon Health Authority complied with the provisions of section 4 of**

1 **this 2017 Act; and**

2 **“(b) Whether the underlying data, assumptions and methodologies used by the**
3 **authority’s actuary support an actuarially sound global budget of each coordinated care or-**
4 **ganization.**

5 **“(3) The department shall accept, reject or modify any portion of the global budget or**
6 **remand the issue to the authority with orders to modify the rate setting process to ensure**
7 **an actuarially sound global budget.**

8 **“(4) The department shall impose a fee on the nonprevailing party in a review conducted**
9 **under this section. The fee shall be equal to the costs of the department in conducting the**
10 **review.”.**

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