

Senate Bill 234

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Oregon Health Authority to renew coordinated care organization contract for another five-year term if specified conditions are met.

A BILL FOR AN ACT

1
2 Relating to coordinated care organization contracts with the Oregon Health Authority; amending
3 ORS 414.652.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 414.652, as amended by section 1, chapter 79, Oregon Laws 2016, is amended
6 to read:

7 414.652. (1) A contract entered into between the Oregon Health Authority and a coordinated
8 care organization under ORS 414.625 (1):

9 (a) Shall be for a term of five years;

10 (b) Except as provided in subsection (3) of this section, may not be amended more than once in
11 each 12-month period; and

12 (c) May be terminated if a coordinated care organization fails to meet outcome and quality
13 measures specified in the contract or is otherwise in breach of the contract.

14 (2) This section does not prohibit the authority from allowing a coordinated care organization
15 a reasonable amount of time in which to cure any failure to meet outcome and quality measures
16 specified in the contract prior to the termination of the contract.

17 (3) A contract entered into between the authority and a coordinated care organization may be
18 amended more than once in each 12-month period if:

19 (a) The authority and the coordinated care organization mutually agree to amend the contract;
20 or

21 (b) Amendments are necessitated by changes in federal or state law.

22 (4) The authority must give a coordinated care organization at least 60 days' advance notice of
23 any amendments the authority proposes to existing contracts between the authority and the coordinated care organization, or to contracts to be renewed, including the global budget paid to the
24 coordinated care organization, or to contracts to be renewed, including the global budget paid to the
25 coordinated care organization under the contract.

26 (5) An amendment to a contract may apply retroactively only if:

27 (a) The amendment does not result in a claim by the authority for the recovery of amounts paid
28 by the authority to the coordinated care organization prior to the date of the amendment; or

29 (b) The Centers for Medicare and Medicaid Services notifies the authority, in writing, that the
30 amendment is a condition for approval of the contract by the Centers for Medicare and Medicaid

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Services.

2 **(6) Upon the expiration of the five-year term of a contract between the authority and a**
3 **coordinated care organization the authority shall offer to contract with the coordinated care**
4 **organization for another five-year term unless the coordinated care organization:**

5 **(a) Substantially failed to carry out the terms of the contract;**

6 **(b) Substantially failed to comply with federal law; or**

7 **(c) Failed to make meaningful progress toward meeting the outcome and quality meas-**
8 **ures adopted under ORS 414.638.**

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