

Requested by Senator KRUSE

**PROPOSED AMENDMENTS TO  
SENATE BILL 233**

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

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

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

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

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

14 **“(3) ‘Eligibility categories’ means the bases on which members of  
15 a coordinated care organization qualify for medical assistance.**

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

19 **“(5) ‘Social determinants of health’ means the conditions in which  
20 individuals are born, grow, live, work and age, including but not lim-  
21 ited to food, safe housing, economic opportunities, health care, trans-**

1 portation and education.

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

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

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

12 **“(b) All documents, financial data and health care utilization data**  
13 **considered by the authority in calculating global budgets for coordi-**  
14 **nated care organizations, including but not limited to the average**  
15 **utilization of each category of service per 1,000 members of the coor-**  
16 **dinated care organization, broken down by the geographic regions and**  
17 **eligibility categories of the members.**

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

22 **“(4) The data and documents described in this section may not be**  
23 **considered a trade secret under ORS 192.501.**

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

29 **“(2) In establishing the global budget for a coordinated care organ-**  
30 **ization for a calendar year, the authority:**

1       “(a) Shall use a single risk score statewide;

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

3       “(c) May not deduct for quality bonus funds received or quality ex-

4       penditures made by a coordinated care organization;

5       “(d) Shall not make line item adjustments to a coordinated care

6       organization’s reported expenses for medical care, flexible services or

7       administration;

8       “(e) Shall adopt and apply a uniform percentage of revenue in de-

9       termining administrative expenses for all coordinated care organiza-

10      tions; and

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

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

13      “(i) Providing health services; and

14      “(ii) Providing flexible services, community benefit initiatives and

15      other means of addressing the social determinants of health; and

16      “(B) Financial arrangements that do not allow a coordinated care

17      organization the opportunity to understate its earnings or reserves.

18      “(3) The data reporting requirements established by the authority

19      for coordinated care organizations must be uniform and sufficiently

20      detailed to allow for comparisons of the data between coordinated care

21      organizations and must include the information required by section 3

22      of this 2017 Act.

23      “(4) The authority shall provide to each coordinated care organiza-

24      tion, no later than October 1 of each calendar year, the specific re-

25      quirements and outcomes that the coordinated care organization must

26      satisfy in order to qualify for incentive payments in the following

27      calendar year.

28      “(5) The authority’s actuary must certify that the final global

29      budget for each coordinated care organization is actuarially sound for

30      each rate cell and publicly document the underlying data, assumptions

1 and methodologies used in doing so.

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

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

11 “(2) The Department of Consumer and Business Services shall im-  
12 plement procedures, consistent with ORS chapter 183, for the review  
13 of an appeal filed by a coordinated care organization under section 4  
14 (6) of this 2017 Act. The review shall be de novo and shall consider,  
15 upon the request of the coordinated care organization:

16 “(a) Whether the Oregon Health Authority complied with the pro-  
17 visions of section 4 of this 2017 Act; and

18 “(b) Whether the underlying data, assumptions and methodologies  
19 used by the authority’s actuary support an actuarially sound global  
20 budget of each coordinated care organization.

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

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

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