

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

Measure: HB 4018 - MRA

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Makes meetings of governing bodies of coordinated care organizations in which decisions are made final subject to specified requirements

Government Unit(s) Affected:

Oregon Health Authority (OHA), Legislative Assembly, Department of Consumer and Business Services (DCBS), Department of Revenue (DOR)

Summary of Expenditure Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

HB 4018:

- Removes the restriction that the Oregon Health Authority (OHA) may not contract with only one statewide organization.
- Makes meetings of governing bodies of coordinated care organizations (CCOs) in which decisions are made final subject to specified requirements.
- Requires CCOs to expend one percent of their global budget on investments in the social determinants of health of its members.
- Directs OHA to collaborate with the CCOs to develop specific requirement of their annual investments in the social determinants of health of their members. These requirements must be consistent with the terms of the Centers for Medicare and Medicaid Services (CMS) demonstration project.
- Changes the requirements for composition of the CCO governing body, so that financial stakeholders are not required to make up the majority of governing body members, and at least one member represents persons that share in the financial risk of the organization.
- Establishes the Task Force on Sustainable Funding for Services Provided by Coordinated Care Organizations charged with creating a legislative concept that will ensure a stable funding source or strategy to pay the costs of services provided by CCOs to medical assistance recipients. The task force must present this legislative concept to an interim legislative committee by December 31, 2018. OHA is required to provide staffing support to the task force. The task force sunsets on December 31, 2019.

Oregon Health Authority (OHA)

Passage of this bill is anticipated to have minimal impact on OHA. The work with CCOs required by the provisions of this bill is part of the agency's normal operations. OHA will reprioritize the duties of existing staff and resources to provide administrative support to the task force.

Legislative Assembly

The bill specifies that non-legislative members of the task force serve as volunteers and are not entitled to compensation and reimbursement. However, the eight voting members of the task force will be legislative members who are entitled to per diem and travel reimbursement. Although the 2017-19 Legislative Assembly budget contains funds allocated for interim committee and task force, if the work required by this task force, or if

the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2017-19 budget, additional General Fund resources may be required. The task force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task force or Legislative Days.

Department of Consumer and Business Services (DCBS), Department of Revenue (DOR)

The fiscal impact of this bill on DCBS and DOR is anticipated to be minimal. The bill requires a designee of DCBS and DOR to serve as non-voting members of the task force. This fiscal assumes that these agencies will reprioritize duties of existing staff to attend meetings, and use existing resources to furnish the task force with available data, information, advice, and other support.