

HB 4018 A STAFF MEASURE SUMMARY**Carrier:** Rep. Buehler**House Committee On Health Care****Minority Report****Action Date:** 02/14/18**Action:** Do pass with different amendments. (Printed A-Eng.) Minority**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Report Signers:** Rep. Denyc Boles, Rep. Knute Buehler, Rep. Cedric Hayden, Rep. Bill Kennemer**Prepared By:** Oliver Droppers, LPRO Analyst**WHAT THE MEASURE DOES:**

Establishes meeting requirements for governing bodies of coordinated care organizations (CCOs). Requires OHA to collaborate with CCOs to develop requirements for annual investments in social determinants of health. Requires a CCO to spend one percent of its global budget on investments in social determinants of health consistent with federal terms and conditions under Section 1115 of the Social Security Act. Statutorily defines social determinants of health. Modifies composition of a CCO's governing body specific to financial risk entities. Establishes Task Force on Sustainable Funding for Services Provided by Coordinated Care Organizations. Specifies Task Force membership. Requires Task Force to report to the Legislative Assembly no later than December 31, 2018. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Consideration of alternative amendments; notice of minority report.
- Proposed task force to study the stable funding of Medicaid in Oregon in light of anticipated funding shortfall, expanding provider tax, and public involvement in state funding decisions.
- Public funding of Medicaid; CCO governance and its decision-making process; private entities and their investment with respect to ownership of CCOs; and role for increased public transparency.
- Ongoing reform of CCOs with a focus on social determinants of health, increase adoption of alternative payment models, and enhanced integration of physical, oral, and mental health
- Requiring CCOs to adhere to public meeting laws for its governing bodies
- Provisions of Oregon public meetings laws (ORS 192.610 to 192.690) and the -22 amendments
- Transparency considerations with OHA's CCO rate-setting methodology
- History of innovation with health reform in Oregon and role of bipartisanship in the policy-making process

EFFECT OF AMENDMENT:

Revises measure. Establishes meeting requirements for governing bodies of coordinated care organizations (CCOs). Requires OHA to collaborate with CCOs to develop requirements for annual investments in social determinants of health. Requires a CCO to spend one percent of its global budget on investments in social determinants of health consistent with federal terms and conditions under Section 1115 of the Social Security Act. Statutorily defines social determinants of health. Modifies composition of a CCO's governing body specific to financial risk entities. Establishes Task Force on Sustainable Funding for Services provided by CCOs to Medicaid enrollees. Specifies Task Force membership. Requires Task Force to report to the Legislative Assembly no later than December 31, 2018. Declares an emergency, effective on passage.

BACKGROUND:

Oregon's coordinated care organizations (CCOs) are organizations governed by health care providers, community members, and organizations responsible for the financial risks of providing patient-centered health care services. 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 CCOs operate within a global budget, which grows at a fixed rate, achieves performance goals, and are held accountable for the Triple Aim. The

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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.

In 2012, the Oregon Health Authority (OHA) executed five-year contracts with CCOs in conjunction with a Section 1115 federal Medicaid waiver. The contracts require each CCO to have a comprehensive plan that describes its goals and activities for transforming care, a written plan for using health information technology, and to implement a quality improvement plan. The contracts will be renewed in 2019 for the next five-year period (2020-2025).

In 2016, the Oregon Health Policy Board (OHPB) received a request to provide independent policy guidance to the Legislative Assembly and the OHA regarding the future of CCOs in Oregon's health care system. To accomplish this request, the OHPB developed a set of recommendations to inform the next phase of Oregon's CCO model (CCO 2.0). The 2017 recommendations include:

- improving fiscal transparency,
- strengthening accountability,
- advancing OHA monitoring and oversight of CCOs,
- enhancing community access and input to CCOs,
- increasing focus on social determinants of health, and
- supporting sustainable costs in Medicaid.

In 2017, the Center for Health Systems Effectiveness released a comprehensive evaluation of Oregon's 2012-2017 Medicaid waiver including an assessment of the CCOs. Findings indicate that CCOs were successful with decreased spending, investing in infrastructure for health care transformation, and improvements in overall quality and access to care.

In January 2018, FamilyCare, Oregon's 2nd largest CCO serving Washington, Multnomah, Clackamas, and Marion counties, ceased, to serve OHP members. As of February 1, 2018, OHP members enrolled in FamilyCare were transitioned to three other CCOs in the Willamette Valley.

House Bill 4018-MRA modifies requirements for Oregon's 15 coordinated care organizations and establishes the Task Force on Sustainable Funding for Services Provided by Coordinated Care Organizations.