

Requested by HOUSE COMMITTEE ON HEALTH CARE

**PROPOSED AMENDMENTS TO
HOUSE BILL 4018**

1 On page 1 of the printed bill, line 2, after “414.625” insert “and 414.652”.

2 On page 2, line 5, delete “spending” and insert “spend”.

3 On page 4, line 35, delete “spending” and insert “spend”.

4 On page 6, after line 38, insert:

5 **“SECTION 5.** ORS 414.652 is amended to read:

6 **“414.652. (1) As used in this section:**

7 **“(a) ‘Benefit period’ means a period of time, shorter than the five-**
8 **year contract term, for which specific terms and conditions in a con-**
9 **tract between a coordinated care organization and the Oregon Health**
10 **Authority are in effect.**

11 **“(b) ‘Renew’ means an agreement by a coordinated care organiza-**
12 **tion to amend the terms or conditions of an existing contract for the**
13 **next benefit period.**

14 **“[(1)] (2)** A contract entered into between the [*Oregon Health*] authority
15 and a coordinated care organization under ORS 414.625 (1):

16 **“(a)** Shall be for a term of five years;

17 **“(b)** Except as provided in subsection [(3)] (4) of this section, may not be
18 amended more than once in each 12-month period; and

19 **“(c)** May be terminated **by the authority** if a coordinated care organ-
20 ization fails to meet outcome and quality measures specified in the contract
21 or is otherwise in breach of the contract.

1 “[2] (3) This section does not prohibit the authority from allowing a
2 coordinated care organization a reasonable amount of time in which to cure
3 any failure to meet outcome and quality measures specified in the contract
4 prior to the termination of the contract.

5 “[3] (4) A contract entered into between the authority and a coordinated
6 care organization may be amended more than once in each 12-month period
7 if:

8 “(a) The authority and the coordinated care organization mutually agree
9 to amend the contract; or

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

11 “[4] (5) **Except as provided in subsection (7) of this section,** the
12 authority must give a coordinated care organization at least 60 days’ advance
13 notice of any amendments the authority proposes to existing contracts be-
14 tween the authority and the coordinated care organization[, *or to contracts*
15 *to be renewed, including the global budget paid to the coordinated care or-*
16 *ganization under the contract*].

17 “[5] (6) An amendment to a contract may apply retroactively only if:

18 “(a) The amendment does not result in a claim by the authority for the
19 recovery of amounts paid by the authority to the coordinated care organiza-
20 tion prior to the date of the amendment; or

21 “(b) The Centers for Medicare and Medicaid Services notifies the au-
22 thority, in writing, that the amendment is a condition for approval of the
23 contract by the Centers for Medicare and Medicaid Services.

24 “(7) **No later than 134 days prior to the end of a benefit period, the**
25 **authority shall provide to each coordinated care organization notice**
26 **of the proposed changes to the terms and conditions of a contract, as**
27 **will be submitted to the Centers for Medicare and Medicaid Services**
28 **for approval, for the next benefit period.**

29 “(8) **A coordinated care organization must notify the authority of**
30 **the coordinated care organization’s refusal to renew a contract with**

1 the authority no later than 14 days after the authority provides the
2 notice described in subsection (7) of this section. Except as provided
3 in subsections (9) and (10) of this section, a refusal to renew termi-
4 nates the contract at the end of the benefit period.

5 “(9) The authority may require a contract to remain in force into
6 the next benefit period and be amended as proposed by the authority
7 until 90 days after the coordinated care organization has, in accord-
8 ance with criteria prescribed by the authority:

9 “(a) Notified each of its members and contracted providers of the
10 termination of the contract;

11 “(b) Provided to the authority a plan to transition its members to
12 another coordinated care organization; and

13 “(c) Provided to the authority a plan for closing out its coordinated
14 care organization business.

15 “(10) The authority may waive compliance with the deadlines in
16 subsections (8) and (9) of this section if the Director of the Oregon
17 Health Authority finds that the waiver of the deadlines is consistent
18 with the effective and efficient administration of the medical assist-
19 ance program and the protection of medical assistance recipients.”.

20 In line 39, delete “5” and insert “6”.

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