

D R A F T

SUMMARY

Requires Oregon Health Authority to make publicly available specified information about payments to and expenditures by coordinated care organizations, authority and Department of Human Services. Requires authority to create and publish annual per capita cost report for all coordinated care organizations that includes specified information about costs incurred by coordinated care organizations.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to transparency in the administration of the medical assistance program; and declaring an emergency.

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

SECTION 1. Sections 2 to 6 of this 2019 Act are added to and made a part of ORS chapter 413.

SECTION 2. As used in sections 2 to 6 of this 2019 Act:

(1) “Category of service” means the categories of medical expenditures that the Oregon Health Authority uses in setting global budgets such as:

(a) Inpatient and outpatient hospital services;

(b) Primary care and specialists;

(c) Prescription drugs; and

(d) Mental health services.

(2) “Eligibility category” means the basis upon which a member of a coordinated care organization qualifies for medical assistance.

(3) “Per capita costs” means a coordinated care organization’s ex-

1 pected average costs per member during a specified period of time.

2 (4) “Related party” means an entity that:

3 (a) Enters into any type of arrangement with or receives services
4 from a coordinated care organization directly or through one or more
5 unrelated parties; and

6 (b) Is associated with the coordinated care organization by any form
7 of common, privately held ownership, control or investment.

8 (5) “Risk accepting entity” means an entity that:

9 (a) Enters into an arrangement or agreement with a coordinated
10 care organization to provide health services to members of the coor-
11 dinated care organization;

12 (b) Assumes the financial risk of providing health services to med-
13 ical assistance recipients; and

14 (c) Is compensated on a prepaid capitated basis for providing health
15 services to members of a coordinated care organization.

16 (6) “Risk adjusted rate of growth” means the percentage change in
17 a coordinated care organization’s health care expenditures from one
18 year to the next year, taking into account the variability in the rela-
19 tive health status of the members of the coordinated care organization
20 from one year to the next year.

21 (7) “Risk score” means a factor intended to predict how a coordi-
22 nated care organization’s incurred costs for a member will differ from
23 the statewide average based upon:

24 (a) Age;

25 (b) Sex;

26 (c) Eligibility category;

27 (d) Health status; and

28 (e) Geographic region.

29 (8) “Total compensation” includes salary and benefits paid by a co-
30 ordinated care organization and compensation paid by shareholders,
31 subsidiaries, parent companies, related parties and risk accepting en-

1 **tities of the coordinated care organization.**

2 **SECTION 3. (1) It is the intent of the Legislative Assembly that the**
3 **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.**

7 **(2) The authority shall make available to the public the following**
8 **information in an easily accessible manner:**

9 **(a) All documentation submitted to the Centers for Medicare and**
10 **Medicaid Services by the authority in seeking federal approval of**
11 **global budgets for coordinated care organizations, including but not**
12 **limited to:**

13 **(A) Any documents certifying that the global budgets are**
14 **actuarially sound as required by 42 C.F.R. 438.4; and**

15 **(B) Any correspondence regarding a coordinated care organization**
16 **contract or modifications to a global budget paid to a coordinated care**
17 **organization.**

18 **(b) All documents, financial data and health care utilization data**
19 **considered by the authority in calculating global budgets for each co-**
20 **ordinated care organization for each year beginning with 2013, includ-**
21 **ing but not limited to the average utilization of each category of**
22 **service per 1,000 members of the coordinated care organization, broken**
23 **down by the geographic regions and the eligibility categories of the**
24 **members.**

25 **(c) The total expenditures by the authority for programs adminis-**
26 **tered by the authority that receive funds under Title XIX or XXI of**
27 **the Social Security Act and expenditures on administration and on**
28 **health services in each program.**

29 **(d) The total expenditures by the Department of Human Services**
30 **for programs administered by the department that receive funds under**
31 **Title XIX or XXI of the Social Security Act and expenditures on ad-**

1 **ministration and on health services in each program.**

2 **(e) Expenditures by the authority and the department in programs**
3 **administered by each agency using funds from Title XIX or XXI of the**
4 **Social Security Act on the following categories of health services, if**
5 **applicable:**

6 **(A) Public health nurse home visits to postpartum mothers;**

7 **(B) Adult residential mental health services;**

8 **(C) Cost sharing for Medicare skilled nursing facility care;**

9 **(D) Transitional mental health residential care for young adults;**

10 **(E) Targeted case management;**

11 **(F) Wrap around services provided to patients served by federally**
12 **qualified health centers or rural health centers;**

13 **(G) Mental health services reimbursed on a fee-for-service basis;**

14 **(H) Long term care services;**

15 **(I) School-based health services;**

16 **(J) Behavioral rehabilitative services;**

17 **(K) In-home personal care services;**

18 **(L) Home and community-based services provided pursuant to a**
19 **state plan amendment under section 1915(i) of the Social Security Act;**

20 **(M) Hospital services provided to medical assistance recipients who**
21 **were determined eligible for medical assistance by a hospital under**
22 **criteria for presumptive determinations of eligibility;**

23 **(N) Health insurer fees; and**

24 **(O) Hospital payments described in section 2 (3)(a)(C), chapter 736,**
25 **Oregon Laws 2003.**

26 **SECTION 4. (1) It is the intent of the Legislative Assembly that the**
27 **expenditures of a coordinated care organization serving medical as-**
28 **sistance recipients be fully transparent and available to the public.**

29 **(2) The Oregon Health Authority shall make readily available to the**
30 **public on an easily accessible website, and shall annually report to the**
31 **Legislative Assembly, the following information for the preceding cal-**

1 **endar year regarding each coordinated care organization contracting**
2 **with the authority:**

3 **(a) The five highest paid positions, total compensation paid to each**
4 **position and to the positions combined and the name of the individuals**
5 **who hold or have held the positions.**

6 **(b) All financial distributions by the coordinated care organization**
7 **to shareholders, equity members, parent companies or any related**
8 **parties.**

9 **(c) A description and the amount of each type of financial trans-**
10 **action between the coordinated care organization and the coordinated**
11 **care organization's related parties and risk accepting entities.**

12 **(d) The net assets of the coordinated care organization's risk ac-**
13 **cepting entities at the end of each calendar year.**

14 **(e) The annual audited financial statements of the coordinated care**
15 **organization.**

16 **(f) The annual audited financial statements of the coordinated care**
17 **organization's related parties and risk accepting entities.**

18 **(g) Copies of federal tax returns filed by the coordinated care or-**
19 **ganization and the coordinated care organization's related parties and**
20 **risk accepting entities.**

21 **(h) The annual risk adjusted rate of growth for the coordinated care**
22 **organization.**

23 **(i) Every report and all data submitted by the coordinated care or-**
24 **ganization to the authority as required in the coordinated care**
25 **organization's contract with the authority.**

26 **(3)(a) Except as provided in paragraph (b) of this subsection, the**
27 **information described in subsection (2) of this section must be pro-**
28 **vided for each calendar year beginning with 2013.**

29 **(b) The annual audited financial statements described in subsection**
30 **(2)(f) of this section must be provided for calendar years beginning**
31 **with 2020.**

1 (4)(a) Except as provided in paragraph (b) of this subsection, the
2 authority shall post the information described in subsection (2) of this
3 section no later than August 1 in the year following the year that the
4 information is reported.

5 (b) Tax information described in subsection (2)(g) of this section
6 must be posted to the website no later than 30 days after receipt by
7 the authority.

8 **SECTION 5.** (1) The Oregon Health Authority shall adopt by rule
9 uniform data reporting requirements for coordinated care organiza-
10 tions. The authority shall provide to each coordinated care organiza-
11 tion the risk scores for the members of the coordinated care
12 organization and the data supporting the calculation of the global
13 budget in sufficient detail to allow the coordinated care organization
14 to reconcile the data provided by the authority with the coordinated
15 care organization's own data.

16 (2) The data provided by the authority under subsection (1) of this
17 section shall include, but is not limited to, the information described
18 in section 3 of this 2019 Act. The authority must provide to coordinated
19 care organizations the risk scores and data, and the per capita cost
20 report described in section 6 of this 2019 Act, no later than 90 days
21 prior to the effective date of a global budget established by the au-
22 thority that is based on the risk scores, the data and the per capita
23 costs.

24 (3) The authority shall use accurate and uniform standards for
25 measuring and reporting coordinated care organization medical loss
26 ratios, administrative costs and earnings to the public, the Legislative
27 Assembly and the Centers for Medicare and Medicaid Services.

28 (4) The authority shall provide to each coordinated care organiza-
29 tion, no later than October 1 of each year, the quality measures and
30 the specifications for the quality measures that the coordinated care
31 organization must satisfy to qualify for quality incentive payments in

1 the following year.

2 **SECTION 6. (1) Beginning January 1, 2020, the Oregon Health Au-**
3 **thority shall create and publish annually a per capita cost report of**
4 **the costs incurred and reported to the authority by coordinated care**
5 **organizations and used by the authority to calculate global budgets.**
6 **The costs reported for the period of January 1, 2018, to December 31,**
7 **2018, shall serve as the primary data source for the 2020 report, and**
8 **the authority shall update the data each year.**

9 **(2) The per capita cost report must include:**

10 **(a) A description of the data sources used in producing the exhibits**
11 **described in paragraph (e) of this subsection;**

12 **(b) A description of the methods and assumptions that the author-**
13 **ity used in producing the exhibits described in paragraph (e) of this**
14 **subsection;**

15 **(c) A description of each category of service;**

16 **(d) The distribution of coordinated care organization members by**
17 **eligibility category; and**

18 **(e) The following exhibits, presenting information as a weighted**
19 **statewide average by eligibility category for all coordinated care or-**
20 **ganizations combined:**

21 **(A) Descriptions of each eligibility category;**

22 **(B) An explanation of how a unit of utilization is measured for each**
23 **category of service;**

24 **(C) The unadjusted utilization rates for each category of service per**
25 **1,000 members;**

26 **(D) The unadjusted average billed charge for each unit of service;**

27 **(E) The unadjusted average billed charges per member per month;**

28 **(F) The unadjusted average total payments per member per month;**

29 **(G) A detailed description of any adjustments made for:**

30 **(i) Services that are not reported by coordinated care organizations**
31 **in their cost or encounter data;**

1 (ii) Services that are not appropriate for including in the per capita
2 costs;

3 (iii) Changes in policies adopted by the authority made during the
4 data reporting period; and

5 (iv) Services that are reported in the data but are not reimbursed
6 by the medical assistance program;

7 (H) Annual trend factors that the authority used to update the
8 data;

9 (I) Adjusted utilization rates for each category of service per 1,000
10 members;

11 (J) The adjusted projected cost of service per unit;

12 (K) Average monthly incurred costs per member;

13 (L) The percentage of members by eligibility category utilizing each
14 of the following categories of service:

15 (i) Physical health services;

16 (ii) Dental health services; and

17 (iii) Behavioral health services; and

18 (M) Average incurred costs by eligibility category, including ad-
19 ministrative costs, for:

20 (i) Physical health services;

21 (ii) Dental health services;

22 (iii) Behavioral health services; and

23 (iv) All health services.

24 **SECTION 7.** (1) The Oregon Health Authority shall report all in-
25 formation described in sections 2 to 6 of this 2019 Act, that is made
26 available to the public, in a manner that is uniform and sufficiently
27 detailed to ensure accurate comparisons of the data between coordi-
28 nated care organizations.

29 (2) Information and data that must be made public under sections
30 2 to 6 of this 2019 Act are not trade secrets under ORS 192.345 except
31 for data that identifies individual health care providers, their contract

1 **terms or their reimbursement rates.**

2 **SECTION 8.** Section 3 of this 2019 Act is amended to read:

3 **Sec. 3.** (1) It is the intent of the Legislative Assembly that the expendi-
4 tures of the Oregon Health Authority in administering the medical assist-
5 ance program and the manner in which the authority establishes global
6 budgets for coordinated care organizations be fully transparent and available
7 to the public.

8 (2) The authority shall make available to the public the following infor-
9 mation in an easily accessible manner:

10 (a) All documentation submitted to the Centers for Medicare and
11 Medicaid Services by the authority in seeking federal approval of global
12 budgets for coordinated care organizations, including but not limited to:

13 (A) Any documents certifying that the global budgets are actuarially
14 sound as required by 42 C.F.R. 438.4; and

15 (B) Any correspondence regarding a coordinated care organization con-
16 tract or modifications to a global budget paid to a coordinated care organ-
17 ization.

18 (b) All documents, financial data and health care utilization data consid-
19 ered by the authority in calculating global budgets for each coordinated care
20 organization for each year beginning with 2013, including but not limited to
21 the average utilization of each category of service per 1,000 members of the
22 coordinated care organization, broken down by the geographic regions and
23 the eligibility categories of the members.

24 (c) The total expenditures by the authority for programs administered by
25 the authority that receive funds under Title XIX or XXI of the Social Secu-
26 rity Act and expenditures on administration and on health services in each
27 program.

28 (d) The total expenditures by the Department of Human Services for pro-
29 grams administered by the department that receive funds under Title XIX or
30 XXI of the Social Security Act and expenditures on administration and on
31 health services in each program.

1 (e) Expenditures by the authority and the department in programs ad-
2 ministered by each agency using funds from Title XIX or XXI of the Social
3 Security Act on the following categories of health services, if applicable:

4 (A) Public health nurse home visits to postpartum mothers;

5 (B) Adult residential mental health services;

6 (C) Cost sharing for Medicare skilled nursing facility care;

7 (D) Transitional mental health residential care for young adults;

8 (E) Targeted case management;

9 (F) Wrap around services provided to patients served by federally quali-
10 fied health centers or rural health centers;

11 (G) Mental health services reimbursed on a fee-for-service basis;

12 (H) Long term care services;

13 (I) School-based health services;

14 (J) Behavioral rehabilitative services;

15 (K) In-home personal care services;

16 (L) Home and community-based services provided pursuant to a state plan
17 amendment under section 1915(i) of the Social Security Act;

18 (M) Hospital services provided to medical assistance recipients who were
19 determined eligible for medical assistance by a hospital under criteria for
20 presumptive determinations of eligibility; **and**

21 (N) Health insurer fees[; *and*].

22 [(O) *Hospital payments described in section 2 (3)(a)(C), chapter 736, Oregon*
23 *Laws 2003.*]

24 **SECTION 9. The amendments to section 3 of this 2019 Act by section**
25 **8 of this 2019 Act become operative on January 2, 2031.**

26 **SECTION 10. This 2019 Act being necessary for the immediate**
27 **preservation of the public peace, health and safety, an emergency is**
28 **declared to exist, and this 2019 Act takes effect on its passage.**