

SB 1041 -1 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 4/3, 4/8

WHAT THE MEASURE DOES:

Grants to the Oregon Health Authority (OHA) powers to regulate the financial condition of coordinated care organizations (CCOs) in alignment with powers of the Department of Consumer and Business Services (DCBS) to regulate domestic insurers. Requires OHA to examine every CCO, including a financial audit, at least once every five years. Specifies examination process and reporting. Specifies confidentiality of complaints made against CCOs in OHA regulation of CCO financial condition and reports generated as a result of OHA regulation. Limits liability for actions taken pursuant to financial examinations. Specifies privilege of compliance audit documents. Allows OHA to order a CCO to be placed under supervision in specified circumstances. Specifies delinquency proceedings for CCO rehabilitation, liquidation, or conservation. Allows OHA to adopt rules for regulating the financial solvency of CCOs to align with specified provisions of the Insurance Code.

REVENUE: No revenue impact

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

- CCO model fit in NAIC financial oversight standards
- Ability to adapt to oversight to unique aspects of CCOs
- Potential reporting timeline conflicts

EFFECT OF AMENDMENT:

-1 Clarifies persons considered to control the management of CCOs for purposes of OHA financial examination. Clarifies amount of compensation or wages to be paid in delinquency proceedings. Clarifies provisions of the Insurance Code OHA must adopt rules with. Clarifies CCO minimum financial requirements.

BACKGROUND:

With the passage of House Bill 3650 (2011) and Senate Bill 1580 (2012), the Legislative Assembly established the Oregon Integrated and Coordinated Health Care Delivery System in which newly established coordinated care organizations (CCOs) became responsible for coordinating the physical, behavioral, and oral health care for individuals enrolled in the state's Medicaid program, the Oregon Health Plan. Fifteen regional CCOs currently coordinate the provision of services for over 850,000 Oregonians enrolled in OHP.

Through its Division of Financial Regulation, the Department of Consumer and Business Services (DCBS) is the state's primary regulator of all types of insurance companies, including health insurance companies. In 2015, the division regulated health insurers covering approximately 1 million Oregonians in the individual, small group, large group, and associations and trusts markets.

Senate Bill 1041 grants to the Oregon Health Authority powers to regulate the financial condition of coordinated care organizations in alignment with powers of the Department of Consumer and Business Services to regulate domestic insurers.

PRELIMINARY