HB 2267 A STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Kim To, Budget Analyst
Meeting Dates: 6/4, 6/7

WHAT THE MEASURE DOES:

Requires coordinated care organizations (CCOs) to collaborate with local public health authority and hospitals to conduct a community health assessment and adopt a community health improvement plan. Authorizes the Oregon Health Authority (OHA) to conduct rulemaking for the health assessment and improvement plans. Specifies that a health improvement plan must include a component to address the health of children and youth. Creates the CCO Reinsurance Program in OHA; defines attachment point, coinsurance rate, costs, reinsurance cap, and reinsurance payment. Specifies the program is to make payments to CCOs that incur high costs and to manage costs systemically. Defines program eligibility and grants OHA rulemaking authority to adopt specific provisions including the amount, manner, and frequency of reinsurance payments. Authorizes OHA to factor in reinsurance payments received by a CCO in calculating their global budget, and to work with the Centers for Medicare and Medicaid Services to create the reinsurance program and ensure compliance to receive federal financial participation. Establishes the Tribal Advisory Council; specifies duties, membership, appointment, and compensation. Specifies role of tribal liaison. Specifies that "small business" does not include CCOs for the purpose of the Administrative Procedures Act and its application to specified agencies. Modifies composition of CCO community advisory council by increasing from one member to two, who within the last six months was a Medicaid recipient or a parent, guardian, or primary caregiver of an individual who was a recipient of Medicaid. Authorizes OHA to adjust the global budget of a CCO, within the first eight months of the effective date of the contract, to account for changes in membership or members' health status.

ISSUES DISCUSSED:

- Merits of the bill

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon's coordinated care organizations (CCOs) are 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, achieve performance goals, and are held accountable for the Triple Aim. The 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 required each CCO to have a comprehensive plan that described its goals and activities for transforming care, a written plan for using health information technology, and to implement a quality improvement plan.

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 achieving improvements in overall quality

and access to care. Building on the findings of the evaluation and community input, in 2018, the Oregon Health Policy Board (OHPB) released recommendations to inform the next phase of Oregon's CCO model (CCO 2.0). The 2018 recommendations seek to: address disparities in the health care system; increase a focus on issues outside the doctor's office that impact health; improve access to high quality physical, behavioral, and oral health care; change the way the state pays for health care; increase transparency; and ensure the financial stability of OHP.

In February 2019, OHA released the request for applications (RFA), which specifies the requirements organizations must meet to serve OHP members as a CCO. OHA states that the new set of contracts with CCOs serves as the largest procurement in state history and represents the next phase of health care transformation, known as "CCO 2.0."

House Bill 2267 modifies requirements for coordinated care organizations.

PRELIMINARY