

HB 3353 A -A5 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Tom MacDonald, Budget Analyst

Meeting Dates: 6/10, 6/11

WHAT THE MEASURE DOES:

Requires Oregon Health Authority (OHA) to request approval from Centers for Medicare and Medicaid Services (CMS) to allow coordinated care organizations (CCOs) to spend three percent of their global budgets to address the needs of local communities. Requires OHA Director to notify Legislative Counsel if approved by CMS. Specifies allowable expenditures to include funding programs or services that improve health equity or enhance provider payments. Requires a CCO to spend at least 30 percent of specified funds on programs or efforts to address health inequities and at least 20 percent to improve behavioral health. Specifies criteria for allowable expenditures and requires expenditures be informed or directed by local organizations and approved by the community advisory council. Requires OHA to create an oversight committee to evaluate allowable expenditures and to resolve disputes between OHA and a CCO regarding allowable expenditures. Requires OHA to publicly report allowable expenditure data submitted to CMS. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Merits of the bill

EFFECT OF AMENDMENT:

-A5 Adjusts definitions; makes the oversight committee contingent on CMS approval of OHA's request; and requires CCOs to meet or surpass the 3% expenditure threshold upon CMS approval.

BACKGROUND:

In 2012, the Oregon Health Authority (OHA) executed five-year contracts with coordinated care organizations (CCOs) in conjunction with a Section 1115 federal Medicaid waiver. The contracts required each CCO to have plans for describing its goals and activities for transforming care, using health information technology, and improving quality.

In 2017, OHA renewed its 1115 waiver with the Centers for Medicare and Medicaid Services (CMS), which expires June 2022. In 2018, House Bill 4018 passed, requiring CCOs to spend a portion of their profits on services designed to address health disparities and social determinants of health consistent with Section 1115 waiver terms (the Supporting Health for All through Reinvestment (or SHARE) Initiative). In 2019, OHA signed contracts with 15 CCOs to serve Oregon Health Plan (OHP) members through 2024 and launched CCO 2.0. In CCO 2.0, OHA requires CCOs to include social determinants of health and equity (SDOH-E) in the development of the community health assessment and improvement plans. According to OHA, the SHARE Initiative requires CCOs that exceed certain financial requirements to spend funds to address SDOH-E, separate from health-related services.

House Bill 3353 would require coordinated care organizations, with federal approval, to increase spending on services and programs that advance health equity.