A-Engrossed
House Bill 3353
Ordered by the House April 19
Including House Amendments dated April 19
Sponsored by Representatives RAYFIELD, LEIF, WILLIAMS, Senator ANDERSON; Representatives ALONSO LEON, CAMPOS, DEXTER, LEVY, MARSH, MEEK, MOORE-GREEN, MORGAN, NOBLE, SANCHEZ, SCHOUTEN, SMITH G, Senators FREDERICK, KENNEMER, LIEBER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires Oregon Health Authority to seek federal approval of amendment to state Medicaid demonstration project to permit coordinated care organizations to use portion of global budgets to improve health equity, improve overall health of community or enhance payments to providers who advance health equity or provide services improving overall health of community and to allow such expenditures to be counted as medical expenses for purposes of required medical loss ratio.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to health care expenditures; and prescribing an effective date.

Whereas achieving health equity requires the ongoing collaboration of all regions and sections of this state, including tribal governments, to address the equitable distribution or redistribution of resources and power and to recognize, reconcile and rectify historical and contemporary injustices; now, therefore,

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

SECTION 1. (1) As used in this section, “health equity” means all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, gender, gender identity, sexual orientation, social class, intersections among these communities or identities or other socially determined circumstances.

(2) The Oregon Health Authority shall seek approval from the Centers for Medicare and Medicaid Services to amend the Medicaid demonstration project under section 1115 of the Social Security Act (42 U.S.C. 1315) to:

(a) Allow a coordinated care organization to spend up to three percent of its global budget on investments:

(A)(i) In programs or services that improve health equity by addressing the preventable differences in the burden of disease, injury, violence or opportunities to achieve optimal health that are experienced by socially disadvantaged populations;

(ii) In community-based programs addressing the social determinants of health;

(iii) In efforts to diversify care locations; or

(iv) In programs or services that improve the overall health of the community; or

(B) That enhance payments to:

(i) Providers who address the need for culturally and linguistically appropriate services in their communities;

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted.

New sections are in boldfaced type.

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(ii) Providers who can demonstrate that increased funding will improve health services provided to the community as a whole; or

(iii) Support staff based in the community that aid all underserved populations, including but not limited to peer-to-peer support staff with cultural backgrounds, health system navigators in nonmedical settings and public guardians.

(b) Require a coordinated care organization to spend at least 30 percent of the funds described in paragraph (a) of this subsection on programs or efforts to achieve health equity for priority populations that are underserved in the communities served by the coordinated care organization.

(c) Require a coordinated care organization to spend at least 20 percent of the funds described in paragraph (a) of this subsection on efforts to:

(A) Improve the behavioral health of members;

(B) Improve the behavioral health care delivery system in the community served by the coordinated care organization;

(C) Create a culturally and linguistically competent health care workforce; or

(D) Improve the behavioral health of the community as a whole.

(3) Expenditures described in subsection (2) of this section are in addition to the expenditures required by ORS 414.572 (1)(b)(C) and must:

(a) Be part of a plan developed in collaboration with or directed by members of organizations or organizations that serve local priority populations that are underserved in communities served by the coordinated care organization, including but not limited to regional health equity coalitions, and be approved by the coordinated care organization’s community advisory council;

(b) Demonstrate, through practice-based or community-based evidence, improved health outcomes for individual members of the coordinated care organization or the overall community served by the coordinated care organization;

(c) Be expended from a coordinated care organization’s global budget with the least amount of state funding; and

(d) Be counted as medical expenses by the authority for purposes of a coordinated care organization’s required medical loss ratio and be taken into account by the authority when calculating a coordinated care organization’s global budget for the next calendar year.

(4) Expenditures by a coordinated care organization in working with tribal governments to achieve health equity may qualify as expenditures under subsection (2) of this section.

(5) The authority shall convene an oversight committee in consultation with the office within the authority that is charged with ensuring equity and inclusion. The oversight committee shall be composed of members who represent the regional and demographic diversity of this state based on statistical evidence compiled by the authority about medical assistance recipients. The oversight committee shall:

(a) Evaluate the impact of expenditures described in subsection (2) of this section on promoting health equity and improving the social determinants of health in the community;

(b) Recommend best practices and criteria for investments described in subsection (2) of this section; and

(c) Resolve any disputes between the authority and a coordinated care organization over what qualifies as an expenditure under subsection (2) of this section.

(6) The authority shall:
(a) Make publicly available the outcomes described in subsection (3)(b) of this section; and

(b) Report expenditures under subsection (2) of this section to the Centers for Medicare and Medicaid Services.

SECTION 2. Section 1 of this 2021 Act is amended to read:

Sec. 1. (1) As used in this section, “health equity” means when all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, gender, gender identity, sexual orientation, social class, intersections among these communities or identities or other socially determined circumstances.

(2) The Oregon Health Authority shall [seek approval from the Centers for Medicare and Medicaid Services to amend the Medicaid demonstration project under section 1115 of the Social Security Act (42 U.S.C. 1315) to]:

(a) Allow a coordinated care organization to spend up to three percent of its global budget on investments:

(A)(i) In programs or services that improve health equity by addressing the preventable differences in the burden of disease, injury, violence or opportunities to achieve optimal health that are experienced by socially disadvantaged populations;

(ii) In community-based programs addressing the social determinants of health;

(iii) In efforts to diversify care locations; or

(iv) In programs or services that improve the overall health of the community; or

(B) That enhance payments to:

(i) Providers who address the need for culturally and linguistically appropriate services in their communities;

(ii) Providers who can demonstrate that increased funding will improve health services provided to the community as a whole; or

(iii) Support staff based in the community that aid all underserved populations, including but not limited to peer-to-peer support staff with cultural backgrounds, health system navigators in non-medical settings and public guardians.

(b) Require a coordinated care organization to spend at least 30 percent of the funds described in paragraph (a) of this subsection on programs or efforts to achieve health equity for priority populations that are underserved in the communities served by the coordinated care organization.

(c) Require a coordinated care organization to spend at least 20 percent of the funds described in paragraph (a) of this subsection on efforts to:

(A) Improve the behavioral health of members;

(B) Improve the behavioral health care delivery system in the communities served by the coordinated care organization;

(C) Create a culturally and linguistically competent health care workforce; or

(D) Improve the behavioral health of the community as a whole.

(3) Expenditures described in subsection (2) of this section are in addition to the expenditures required by ORS 414.572 (1)(b)(C) and must:

(a) Be part of a plan developed in collaboration with or directed by members of organizations or organizations that serve local priority populations that are underserved in communities served by the coordinated care organization, including but not limited to regional health equity coalitions, and be approved by the coordinated care organization’s community advisory council;

(b) Demonstrate, through practice-based [or community-based] evidence, improved health out-
comes for individual members of the coordinated care organization or the overall community served
by the coordinated care organization;

(c) Be expended from a coordinated care organization’s global budget with the least amount of
state funding; and

(d) Be counted as medical expenses by the authority for purposes of a coordinated care
organization’s required medical loss ratio and be taken into account by the authority when calcul-
ating a coordinated care organization’s global budget for the next calendar year.

(4) Expenditures by a coordinated care organization in working with tribal governments to
achieve health equity may qualify as expenditures under subsection (2) of this section.

(5) The authority shall convene an oversight committee in consultation with the office within
the authority that is charged with ensuring equity and inclusion. The oversight committee shall be
composed of members who represent the regional and demographic diversity of this state based on
statistical evidence compiled by the authority about medical assistance recipients. The oversight
committee shall:

(a) Evaluate the impact of expenditures described in subsection (2) of this section on promoting
health equity and improving the social determinants of health in the community;

(b) Recommend best practices and criteria for investments described in subsection (2) of this
section; and

(c) Resolve any disputes between the authority and a coordinated care organization over what
qualifies as an expenditure under subsection (2) of this section.

(6) The authority shall:

(a) Make publicly available the outcomes described in subsection (3)(b) of this section; and

(b) Report expenditures under subsection (2) of this section to the Centers for Medicare and
Medicaid Services.

SECTION 3. (1) The amendments to section 1 of this 2021 Act by section 2 of this 2021
Act become operative upon the Oregon Health Authority’s receipt of the Centers for Medi-
care and Medicaid Services’ approval of the amendment to the Medicaid demonstration
project under section 1115 of the Social Security Act (42 U.S.C. 1315) described in section 1
of this 2021 Act.

(2) The Director of the Oregon Health Authority shall notify the Legislative Counsel im-
mediately upon receipt of an approval or denial by the Centers for Medicare and Medicaid
Services of the requested amendment to the Medicaid demonstration project.

SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021
regular session of the Eighty-first Legislative Assembly adjourns sine die.