

**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**

1  
2 Relating to health care expenditures; and prescribing an effective date.

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

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

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

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

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

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

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

21       (iii) In efforts to diversify care locations; or

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

23       (B) That enhance payments to:

24       (i) Providers who address the need for culturally and linguistically appropriate services  
25 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.

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

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

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

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

12 (A) Improve the behavioral health of members;

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

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

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

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

19 (a) Be part of a plan developed in collaboration with or directed by members of organ-  
20 izations or organizations that serve local priority populations that are underserved in com-  
21 munities served by the coordinated care organization, including but not limited to regional  
22 health equity coalitions, and be approved by the coordinated care organization's community  
23 advisory council;

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

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

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

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

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

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

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

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

45 (6) The authority shall:

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

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

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

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

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

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

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

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

19 (iii) In efforts to diversify care locations; or

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

21 (B) That enhance payments to:

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

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

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

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

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

34 (A) Improve the behavioral health of members;

35 (B) Improve the behavioral health care delivery system in the communities served by the coor-  
36 dinated care organization;

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

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

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

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

45 (b) Demonstrate, through practice-based [*or community-based*] evidence, improved health out-

1 comes for individual members of the coordinated care organization or the overall community served  
2 by the coordinated care organization;

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

5 (d) Be counted as medical expenses by the authority for purposes of a coordinated care  
6 organization's required medical loss ratio and be taken into account by the authority when calcu-  
7 lating a coordinated care organization's global budget for the next calendar year.

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

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

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

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

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

21 (6) The authority shall:

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

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

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

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

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

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