

# House Bill 3353

Sponsored by Representatives RAYFIELD, LEIF, WILLIAMS, Senator ANDERSON; Representatives LEVY, MARSH, MEEK, MOORE-GREEN, MORGAN, 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 **as introduced**.

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

4 **SECTION 1. (1) The Oregon Health Authority shall seek approval from the Centers for**  
5 **Medicare and Medicaid Services to amend the Medicaid demonstration project under section**  
6 **1115 of the Social Security Act (42 U.S.C. 1315) to:**

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

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

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

13 (iii) **In programs or services that improve the overall health of the community; or**

14 (B) **That enhance payments to providers who:**

15 (i) **Address the need for culturally and linguistically appropriate services in their com-**  
16 **munities; or**

17 (ii) **Can demonstrate that increased funding will improve health services provided to the**  
18 **community as a whole.**

19 (b) **Require a coordinated care organization to spend at least 30 percent of the funds de-**  
20 **scribed in paragraph (a) of this subsection on programs or efforts to address racial or cul-**  
21 **tural health inequities or disparities.**

22 (c) **Require a coordinated care organization to spend at least 20 percent of the funds de-**  
23 **scribed in paragraph (a) of this subsection on efforts to improve the behavioral health of**  
24 **members, the behavioral health care delivery system in the community served by the coor-**  
25 **ordinated care organization or the behavioral health of the community as a whole.**

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

28 (a) **Address the needs of the local communities served by a coordinated care organization**

**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 as identified in the coordinated care organization’s community health improvement plan, in  
 2 the coordinated care organization’s strategic plan for addressing health equity required by  
 3 the authority by rule or by the coordinated care organization’s community advisory council;

4 (b) Demonstrate, through empirical evidence, improved health outcomes for individual  
 5 members of the coordinated care organization or the overall community served by the co-  
 6 ordinated care organization;

7 (c) Be expended from a coordinated care organization’s global budget without additional  
 8 state funding; and

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

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

17 (a) Evaluate the impact of expenditures described in subsection (1) of this section on  
 18 promoting health equity and improving the social determinants of health in the community;  
 19 and

20 (b) Recommend best practices and criteria for investments described in subsection (1)  
 21 of this section.

22 (4) The authority shall make publicly available the outcomes described in subsection  
 23 (2)(b) of this section.

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

25 **Sec. 1.** (1) The Oregon Health Authority shall *[seek approval from the Centers for Medicare and*  
 26 *Medicaid Services to amend the Medicaid demonstration project under section 1115 of the Social Se-*  
 27 *curity Act (42 U.S.C. 1315) to]*:

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

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

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

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

35 (B) That enhance payments to providers who:

36 (i) Address the need for culturally and linguistically appropriate services in their communities;

37 or

38 (ii) Can demonstrate that increased funding will improve health services provided to the com-  
 39 munity as a whole.

40 (b) Require a coordinated care organization to spend at least 30 percent of the funds described  
 41 in paragraph (a) of this subsection on programs or efforts to address racial or cultural health ineq-  
 42 uities or disparities.

43 (c) Require a coordinated care organization to spend at least 20 percent of the funds described  
 44 in paragraph (a) of this subsection on efforts to improve the behavioral health of members, the be-  
 45 havioral health care delivery system in the community served by the coordinated care organization

1 or the behavioral health of the community as a whole.

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

4 (a) Address the needs of the local communities served by a coordinated care organization as  
 5 identified in the coordinated care organization’s community health improvement plan, in the coor-  
 6 dinated care organization’s strategic plan for addressing health equity required by the authority by  
 7 rule or by the coordinated care organization’s community advisory council;

8 (b) Demonstrate, through empirical evidence, improved health outcomes for individual members  
 9 of the coordinated care organization or the overall community served by the coordinated care or-  
 10 ganization;

11 (c) Be expended from a coordinated care organization’s global budget without additional state  
 12 funding; and

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

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

20 (a) Evaluate the impact of expenditures described in subsection (1) of this section on promoting  
 21 health equity and improving the social determinants of health in the community; and

22 (b) Recommend best practices and criteria for investments described in subsection (1) of this  
 23 section.

24 (4) The authority shall make publicly available the outcomes described in subsection (2)(b) of  
 25 this section.

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

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

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

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