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

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

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

SECTION 1. (1) 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; or

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

(B) That enhance payments to providers who:

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

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

(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 address racial or cultural health inequities or disparities.

(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 improve the behavioral health of members, the behavioral health care delivery system in the community served by the coordinated care organization or the behavioral health of the community as a whole.

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

(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.

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as identified in the coordinated care organization's community health improvement plan, in
the coordinated care organization’s strategic plan for addressing health equity required by
the authority by rule or by the coordinated care organization's community advisory council;
(b) Demonstrate, through empirical evidence, improved health outcomes for individual
members of the coordinated care organization or the overall community served by the co-
ordinated care organization;
(c) Be expended from a coordinated care organization's global budget without additional
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.
(3) The authority shall convene an oversight committee in consultation with the office
that is charged with ensuring equity and inclusion. The oversight committee shall be com-
posed 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 (1) of this section on
promoting health equity and improving the social determinants of health in the community;
and
(b) Recommend best practices and criteria for investments described in subsection (1)
of this section.
(4) The authority shall make publicly available the outcomes described in subsection
(2)(b) of this section.
SECTION 2. Section 1 of this 2021 Act is amended to read:
Sec. 1. (1) 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 Se-
curity 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 differ-
ences 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; or
(iii) In programs or services that improve the overall health of the community; or
(B) That enhance payments to providers who:
(i) Address the need for culturally and linguistically appropriate services in their communities;
or
(ii) Can demonstrate that increased funding will improve health services provided to the com-
munity as a whole.
(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 address racial or cultural health ineq-
uitities or disparities.
(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 improve the behavioral health of members, the be-
behavioral health care delivery system in the community served by the coordinated care organization
or the behavioral health of the community as a whole.

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

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

(b) Demonstrate, through empirical 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 without additional 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.

(3) The authority shall convene an oversight committee in consultation with the office 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 (1) of this section on promoting health equity and improving the social determinants of health in the community; and

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

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

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 Medicare 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 immediately 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.