

# Senate Bill 430

Sponsored by Senator MANNING JR (at the request of Dan Cushing - Coalition for Healthy Oregon) (Pre-session filed.)

## 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**.

Caps at Medicaid fee-for-service rates reimbursement paid by coordinated care organizations to noncontracted health care providers for health services provided to coordinated care organization members.

## A BILL FOR AN ACT

1  
2 Relating to health services provided to members of coordinated care organizations; amending ORS  
3 414.743.

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

5 **SECTION 1.** ORS 414.743 is amended to read:

6 414.743. (1) Except as provided in subsection (2) of this section, a coordinated care organization  
7 that does not have a contract with a hospital to provide inpatient or outpatient hospital services  
8 under [*ORS 414.591, 414.631 and 414.688 to 414.745*] **this chapter** must, using Medicare payment  
9 methodology, reimburse the noncontracting hospital for services provided to a member of the or-  
10 ganization at a rate no less than a percentage of the Medicare reimbursement rate for those ser-  
11 vices. The percentage of the Medicare reimbursement rate that is used to determine the  
12 reimbursement rate under this subsection is equal to four percentage points less than the percentage  
13 of Medicare cost used by the Oregon Health Authority in calculating the base hospital capitation  
14 payment to the organization, excluding any supplemental payments.

15 (2)(a) If a coordinated care organization does not have a contract with a hospital, and the hos-  
16 pital provides less than 10 percent of the hospital admissions and outpatient hospital services to  
17 members of the organization, the percentage of the Medicare reimbursement rate that is used to  
18 determine the reimbursement rate under subsection (1) of this section is equal to two percentage  
19 points less than the percentage of Medicare cost used by the Oregon Health Authority in calculating  
20 the base hospital capitation payment to the organization, excluding any supplemental payments.

21 (b) This subsection is not intended to discourage a coordinated care organization and a hospital  
22 from entering into a contract and is intended to apply to hospitals that provide primarily, but not  
23 exclusively, specialty and emergency care to members of the organization.

24 **(3) Except as provided in subsections (1) and (2) of this section:**

25 **(a) A health care provider that does not have a contract with a coordinated care organ-**  
26 **ization may not bill the coordinated care organization for a health service provided to a**  
27 **member of the coordinated care organization in an amount that exceeds the fee-for-service**  
28 **rate for the service established by the authority under ORS 414.065.**

29 **(b) A coordinated care organization that does not have a contract with a health care**  
30 **provider may not reimburse the provider for a health service provided to a member of the**

**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 **coordinated care organization in an amount that exceeds the fee-for-service rate for the**  
2 **service established by the authority under ORS 414.065.**

3       ~~[(3)]~~ (4) A hospital **or health care provider** that does not have a contract with a coordinated  
4 care organization to provide [*inpatient or outpatient hospital services under ORS 414.591, 414.631 and*  
5 *414.688 to 414.745*] **health services** must accept as payment in full for [*hospital*] **the** services the  
6 rates described in subsections (1) [*and (2)*] **to (3)** of this section.

7       ~~[(4)]~~ (5) This section does not apply to type A and type B hospitals, as described in ORS 442.470,  
8 and rural critical access hospitals, as defined in ORS 442.470.

9       ~~[(5)]~~ (6) The Oregon Health Authority shall adopt rules to implement and administer this section.

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