

## HB 3353 STAFF MEASURE SUMMARY

### House Committee On Health Care

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**Prepared By:** Oliver Droppers, LPRO Analyst

**Meeting Dates:** 4/6

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#### **WHAT THE MEASURE DOES:**

Requires Oregon Health Authority (OHA) to request approval from Centers for Medicare and Medicaid Services (CMS) to allow coordinated care organizations (CCOs) to spend three percent of their global budgets to address the needs of local communities. Specifies allowable expenditures to include funding programs or services that improve health equity or enhance provider payments. Require a CCO to spend at least 30 percent of specified funds on programs or efforts to address health inequities and at least 20 percent to improve behavioral health. Specifies criteria for allowable expenditures. Requires OHA to create an oversight committee to evaluate allowable expenditures and develop recommendations on best practices for CCOs. Requires OHA Director to notify Legislative Counsel if approved by CMS.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

No amendment.

##### **BACKGROUND:**

Oregon's coordinated care organizations (CCOs) are governed by health care providers, community members, and organizations responsible for the financial risks of providing patient-centered health care services. CCOs are responsible for integrating and coordinating physical, mental, behavioral, and dental care services for 90 percent of Medicaid beneficiaries enrolled in the Oregon Health Plan (OHP). All CCOs operate within a global budget, which grows at a fixed rate, achieve performance goals, and are held accountable for the Triple Aim.

In 2012, the Oregon Health Authority (OHA) executed five-year contracts with CCOs in conjunction with a Section 1115 federal Medicaid waiver. The contracts required each CCO to have a comprehensive plan that described its goals and activities for transforming care, a written plan for using health information technology, and implementing a quality improvement plan.

In 2017, OHA renewed its 1115 waiver with the Centers for Medicare and Medicaid Services (CMS), which expires June 2022. In 2018, House Bill 4018 passed, requiring CCOs to a portion of their profits on services designed to address health disparities and social determinants of health consistent with federal terms and conditions under Section 1115 Waiver. In 2019, OHA signed contracts with 15 CCOs to serve OHP members through 2024 and launched CCO 2.0. In CCO 2.0, OHA requires CCOs to include social determinants of health and equity (SDOH-E) in the development of the community health assessment and improvement plans. According to OHA (Dec. 2020), the SHARE Initiative requires CCOs that exceed certain financial requirements to spend funds to address SDOH-E, separate from health-related services.

House Bill 3353 would require coordinated care organizations, with federal approval, to increase spending on services and programs that advance health equity.