

D R A F T

SUMMARY

Digest: The Act changes the process for adopting global budgets for CCOs. (Flesch Readability Score: 64.9).

Establishes a process for determining global budgets for coordinated care organizations that is similar to the rate review process for insurers.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to global budgets for coordinated care organizations; creating new
3 provisions; amending ORS 414.065; and prescribing an effective date.

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

5 **SECTION 1. Sections 2 and 3 of this 2025 Act are added to and made**
6 **a part of ORS chapter 414.**

7 **SECTION 2. (1) When determining a global budget for a coordinated**
8 **care organization, the Director of the Oregon Health Authority shall**
9 **publish a proposed global budget reflecting the amounts that the co-**
10 **ordinated care organization may be paid for the delivery of, manage-**
11 **ment of, access to and quality of the health care delivered to members**
12 **of the coordinated care organization. A proposed global budget must**
13 **include sufficient actuarial or other analyses, calculations or evalu-**
14 **ations relied on by the Oregon Health Authority to provide a reason-**
15 **able opportunity for interested persons to be apprised of the**
16 **authority's rationale for the proposed global budget. The director shall**
17 **open a 30-day public comment period on the proposed global budget.**
18 **The director shall post all of the comments received to the authority's**
19 **website without delay.**

1 **(2) After the close of the public comment period described in sub-**
2 **section (1) of this section, the director shall issue a preliminary deci-**
3 **sion to approve, disapprove or modify the proposed global budget. The**
4 **director shall notify the coordinated care organization of, and make**
5 **available to the public, the preliminary decision, including:**

6 **(a) An explanation of the findings and rationale that are the basis**
7 **for the preliminary decision; and**

8 **(b) Any actuarial or other analyses, calculations or evaluations re-**
9 **lied on by the director in arriving at the preliminary decision.**

10 **(3) The director shall provide the coordinated care organization, or**
11 **any person adversely affected or aggrieved by the preliminary decision,**
12 **the opportunity to meet with the authority to discuss and respond to**
13 **the preliminary decision. The meeting shall:**

14 **(a) Include an authority employee who reviewed the global budget;**
15 **and**

16 **(b) Comply with the requirements of ORS 192.610 to 192.705.**

17 **(4)(a) The director shall issue a proposed order, no later than 30**
18 **days after the director issues a preliminary decision under subsection**
19 **(2) of this section, to approve, disapprove or modify the proposed**
20 **global budget based on the information submitted during the public**
21 **comment period.**

22 **(b) The authority shall mail the proposed order to the coordinated**
23 **care organization and post the proposed order to the authority's**
24 **website.**

25 **(c) The proposed order must include:**

26 **(A) An explanation of the findings and rationale that are the basis**
27 **for the proposed order, including any actuarial or other analyses, cal-**
28 **culations or evaluations relied on by the director in the director's**
29 **findings or rationale; and**

30 **(B) Notice of the right of the coordinated care organization or any**
31 **person adversely affected or aggrieved by the proposed order to request**

1 a review by the director, in accordance with subsection (6) of this
2 section, no later than 10 days after the date that the proposed order
3 was issued.

4 (5) If the coordinated care organization or a person adversely af-
5 fected or aggrieved by the proposed order does not timely request a
6 review of the proposed order by the director, the director shall issue
7 a final order as described in subsection (6)(d) of this section.

8 (6) If the coordinated care organization or a person adversely af-
9 fected or aggrieved by the proposed order timely requests a review by
10 the director of the proposed order:

11 (a) The requester may not supply new facts or data, but may pro-
12 vide a brief, memorandum or analysis based on the evidence contained
13 in the proposed global budget or received and considered by the au-
14 thority during the public comment period;

15 (b) The director may not delegate the decision-making authority for
16 the request for review to any other individual;

17 (c) The director shall issue a final order to approve, disapprove or
18 modify the proposed global budget no later than 30 days after the re-
19 quest for review is received by the director; and

20 (d) The final order shall include:

21 (A) An explanation of the findings and rationale that are the basis
22 for the final order; and

23 (B) Notice of the right to a contested case hearing in accordance
24 with ORS chapter 183.

25 (7)(a) If, following the issuance of a final order under subsection
26 (6)(c) of this section but before the effective date of the global budget
27 approved by the final order, an event occurs that materially affects the
28 director's decision to approve the global budget, the director may open
29 a new public comment period for a period of time that the director
30 determines is necessary to receive comments concerning the event.
31 Based upon the event and the public comments received, the director

1 shall affirm the final order by providing a written explanation of the
2 basis for affirming the final order or issue a new proposed order, as
3 described in subsection (4) of this section.

4 (b) In the consideration of public comments or the event described
5 in paragraph (a) of this subsection or in issuing any new proposed or-
6 der, the director may consider supplemental facts or data reasonably
7 related to the event described in paragraph (a) of this subsection.

8 (8) Subsections (2) to (7) of this section do not require the director
9 or the authority to perform any actuarial or other analyses, calcu-
10 lations or evaluations.

11 **SECTION 3.** No later than December 31 of each year, the Oregon
12 Health Authority shall report to the Health Care Cost Growth Target
13 program established in ORS 442.386 and to the interim committees of
14 the Legislative Assembly related to health, in the manner provided in
15 ORS 192.245, the following information about global budgets for coor-
16 dinated care organizations developed by the authority under section 2
17 of this 2025 Act:

18 (1) Proposed global budgets, including any actuarial or other ana-
19 lyses, calculations or evaluations that the authority relied on in de-
20 veloping the proposed global budgets;

21 (2) A summary of the public comments on the proposed global
22 budgets and a summary of any reviews requested by a coordinated care
23 organization or a person adversely affected or aggrieved by a proposed
24 order under section 2 of this 2025 Act; and

25 (3) Final orders adopting global budgets.

26 **SECTION 4.** ORS 414.065, as amended by section 1, chapter 18, Oregon
27 Laws 2024, is amended to read:

28 414.065. (1)(a) Consistent with ORS 414.690, 414.710, 414.712 and 414.766
29 and section 2 of this 2025 Act and other statutes governing the provision
30 of and payments for health services in medical assistance, the Oregon Health
31 Authority shall determine, subject to such revisions as it may make from

1 time to time and to legislative funding:

2 (A) The types and extent of health services to be provided to each eligible
3 group of recipients of medical assistance.

4 (B) Standards, including outcome and quality measures, to be observed in
5 the provision of health services.

6 (C) The number of days of health services toward the cost of which med-
7 ical assistance funds will be expended in the care of any person.

8 (D) Reasonable fees, charges, daily rates and global payments for meeting
9 the costs of providing health services to an applicant or recipient.

10 (E) Reasonable fees for professional medical and dental services which
11 may be based on usual and customary fees in the locality for similar services.

12 (F) The amount and application of any copayment or other similar cost-
13 sharing payment that the authority may require a recipient to pay toward
14 the cost of health services.

15 (b) The authority shall adopt rules establishing timelines for payment of
16 health services under paragraph (a) of this subsection.

17 (2) In making the determinations under subsection (1) of this section and
18 in the imposition of any utilization controls on access to health services, the
19 authority may not consider a quality of life in general measure, either di-
20 rectly or by considering a source that relies on a quality of life in general
21 measure.

22 (3) The types and extent of health services and the amounts to be paid in
23 meeting the costs thereof, as determined and fixed by the authority and
24 within the limits of funds available therefor, shall be the total available for
25 medical assistance, and payments for such medical assistance shall be the
26 total amounts from medical assistance funds available to providers of health
27 services in meeting the costs thereof.

28 (4) Except for payments under a cost-sharing plan, payments made by the
29 authority for medical assistance shall constitute payment in full for all
30 health services for which such payments of medical assistance were made.

31 (5) Notwithstanding subsection (1) of this section, the Department of

1 Human Services shall be responsible for determining the payment for
2 Medicaid-funded long term care services and for contracting with the pro-
3 viders of long term care services.

4 (6) In determining a global budget for a coordinated care organization
5 **pursuant to section 2 of this 2025 Act:**

6 (a) The allocation of the payment, the risk and any cost savings shall be
7 determined by the governing body of the organization;

8 (b) The authority shall consider the community health assessment con-
9 ducted by the organization in accordance with ORS 414.577 and reviewed
10 annually, and the organization's health care costs; and

11 (c) The authority shall take into account the organization's provision of
12 innovative, nontraditional health services.

13 (7) Under the supervision of the Governor, the authority may work with
14 the Centers for Medicare and Medicaid Services to develop, in addition to
15 global budgets, payment streams:

16 (a) To support improved delivery of health care to recipients of medical
17 assistance; and

18 (b) That are funded by coordinated care organizations, counties or other
19 entities other than the state whose contributions qualify for federal matching
20 funds under Title XIX or XXI of the Social Security Act.

21 **SECTION 5. Sections 2 and 3 of this 2025 Act apply to global budget**
22 **determinations for coordinated care organizations initiated on or after**
23 **the operative date specified in section 6 of this 2025 Act.**

24 **SECTION 6. (1) Sections 2 and 3 of this 2025 Act become operative**
25 **on January 1, 2026.**

26 **(2) The Oregon Health Authority may take any action before the**
27 **operative date specified in subsection (1) of this section that is neces-**
28 **sary to enable the authority to exercise, on and after the operative**
29 **date specified in subsection (1) of this section, all of the duties, func-**
30 **tions an powers conferred on the authority by sections 2 and 3 of this**
31 **2025 Act.**

1 **SECTION 7. This 2025 Act takes effect on the 91st day after the date**
2 **on which the 2025 regular session of the Eighty-third Legislative As-**
3 **sembly adjourns sine die.**

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