

## HOUSE AMENDMENTS TO HOUSE BILL 4039

By COMMITTEE ON HEALTH CARE

February 12

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line and delete line 3  
2 and insert “413.042 and 414.065; and declaring an emergency.”.

3 Delete lines 5 through 22 and delete pages 2 through 17 and insert:

4 **“SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS chapter 414.**

5 **“SECTION 2. (1) As used in this section:**

6 **“(a) ‘Base data’ means the eligibility, enrollment, encounter and other data used by the**  
7 **Oregon Health Authority to develop capitation rates for the following year.**

8 **“(b) ‘Capitation rate’ means a fixed dollar amount paid per member per month by the**  
9 **authority to a coordinated care organization for the provision of medical assistance to**  
10 **members of the coordinated care organization.**

11 **“(2) The authority shall establish a transparent and data-driven process for developing**  
12 **capitation rates. As part of the rate development process, the authority shall:**

13 **“(a) Reconcile the authority’s base data with data submitted by coordinated care organ-**  
14 **izations and identify any adjustments that the authority makes to the base data.**

15 **“(b) Identify any material cost impact of changes made in a proposed contract or annual**  
16 **contract restatement and include that information in the report required under paragraph**  
17 **(e) of this subsection. In analyzing any material cost impact of contract changes, the au-**  
18 **thority shall separately identify the cost of the previous year’s contractual requirements and**  
19 **the cost of the new requirements in the proposed contract or contract restatement.**

20 **“(c) Provide to each coordinated care organization a list of any outlier trends that appear**  
21 **to be affecting statewide average data.**

22 **“(d) Provide to interested parties 90 days’ notice of discretionary changes to the**  
23 **authority’s schedule of fee-for-service reimbursement rates and, when necessary, make ap-**  
24 **propriate adjustments to the capitation rates developed under this section.**

25 **“(e) Timely report the authority’s preliminary capitation rate determinations to the**  
26 **Oregon Health Policy Board. The report shall include the extent of the authority’s commu-**  
27 **nity engagement and input received from entities that serve medical assistance recipients in**  
28 **developing the preliminary capitation rates.**

29 **“SECTION 3. Section 2 of this 2026 Act applies to plan years beginning on or after Jan-**  
30 **uary 1, 2027.**

31 **“SECTION 4. ORS 414.065 is amended to read:**

32 **“414.065. (1)(a) Consistent with ORS 414.690, 414.710, 414.712 and, 414.766 and section 2 of this**  
33 **2026 Act and other statutes governing the provision of and payments for health services in medical**  
34 **assistance, the Oregon Health Authority shall determine, subject to such revisions as it may make**  
35 **from time to time and to legislative funding:**

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

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

5 “(C) The number of days of health services toward the cost of which medical assistance funds  
6 will be expended in the care of any person.

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

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

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

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

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

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

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

27 “(5) Notwithstanding subsection (1) of this section, the Department of Human Services shall be  
28 responsible for determining the payment for Medicaid-funded long term care services and for con-  
29 tracting with the providers of long term care services.

30 “(6) In determining a global budget for a coordinated care organization **pursuant to section 2**  
31 **of this 2026 Act:**

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

34 “(b) The authority shall consider the community health assessment conducted by the organiza-  
35 tion in accordance with ORS 414.577 and reviewed annually, and the organization’s health care  
36 costs; and

37 “(c) The authority shall take into account the organization’s provision of innovative, nontradi-  
38 tional health services.

39 “(7) Under the supervision of the Governor, the authority may work with the Centers for Med-  
40 icare and Medicaid Services to develop, in addition to global budgets, payment streams:

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

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

45 “**SECTION 5.** ORS 413.042 is amended to read:

1           “413.042. (1) In accordance with applicable provisions of ORS chapter 183, the Director of the  
2 Oregon Health Authority may adopt rules necessary for the administration of the laws that the  
3 Oregon Health Authority is charged with administering.

4           **“(2) Before adopting any permanent or temporary rule, except a procedural rule, the  
5 authority shall prepare a medical assistance cost impact statement that estimates the eco-  
6 nomic impact of the adoption of the rule on the state medical assistance program. The au-  
7 thority shall adopt the form of the statement.**

8           **“SECTION 6. This 2026 Act being necessary for the immediate preservation of the public  
9 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect  
10 on its passage.”.**

11

---