B-Engrossed
Senate Bill 201

Ordered by the House May 26
Including Senate Amendments dated April 28 and House Amendments
dated May 26

Sponsored by Senator BATES; Senator WINTERS (Presession 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.

Provides that enrollee may transfer from one prepaid managed care health services organization to another organization no more than once during each enrollment period.

Authorizes Oregon Health Authority to approve transfer of 500 or more enrollees from one prepaid managed care health services organization to another under certain circumstances **on or after January 1, 2012**.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to medical assistance; creating new provisions; amending ORS 414.736 and 416.510; repealing section 8, chapter 886, Oregon Laws 2009; and declaring an emergency.

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

SECTION 1. Sections 2 and 3 of this 2011 Act are added to and made a part of ORS chapter 414.

SECTION 2. (1) A prepaid managed care health services organization that contracts with the Oregon Health Authority must maintain a network of providers sufficient in numbers and areas of practice and geographically distributed in a manner to ensure that the health services provided under the contract are reasonably accessible to enrollees.

(2) An enrollee may transfer from one organization to another organization no more than once during each enrollment period.

SECTION 3. (1) The Oregon Health Authority may approve the transfer of 500 or more enrollees from one prepaid managed care health services organization to another prepaid managed care health services organization if:

(a) The enrollees' provider has contracted with the receiving organization and has stopped accepting patients from or has terminated providing services to enrollees in the transferring organization; and

(b) Enrollees are offered the choice of remaining enrolled in the transferring organization.

(2) Enrollees may not be transferred under this section until the authority has evaluated the receiving organization and determined that the organization meets criteria established by the authority by rule, including but not limited to criteria that ensure that the organization meets the requirements of section 2 (1) of this 2011 Act.

(3) The authority shall provide notice of a transfer under this section to enrollees that

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.

will be affected by the transfer at least 90 days before the scheduled date of the transfer.

SECTION 4. ORS 414.736, as amended by section 6, chapter 886, Oregon Laws 2009, is amended to read:

414.736. As used in this [*section and ORS 414.725, 414.737, 414.738, 414.739, 414.740, 414.741 and 414.742*] **chapter, ORS chapter 416** and section 9, chapter 867, Oregon Laws 2009:

(1) "Designated area" means a geographic area of the state defined by the Oregon Health Authority by rule that is served by a prepaid managed care health services organization.

(2) "Fully capitated health plan" means an organization that contracts with the Oregon Health Authority [*or the Oregon Health Policy Board*] on a prepaid capitated basis under ORS 414.725 [*to provide an adequate network of providers to ensure that the health services provided under the contract are reasonably accessible to enrollees*].

(3) "Physician care organization" means an organization that contracts with the Oregon Health Authority [*or the Oregon Health Policy Board*] on a prepaid capitated basis under ORS 414.725 to provide [*an adequate network of providers to ensure that*] the health services described in ORS 414.705 (1)(b), (c), (d), (e), (g) and (j) [*are reasonably accessible to enrollees*]. A physician care organization may also contract with the authority [*or the board*] on a prepaid capitated basis to provide the health services described in ORS 414.705 (1)(k) and (L).

(4) "Prepaid managed care health services organization" means a managed physical health, dental, mental health or chemical dependency organization that contracts with the authority [*or the board*] on a prepaid capitated basis under ORS 414.725. A prepaid managed care health services organization may be a dental care organization, fully capitated health plan, physician care organization, mental health organization or chemical dependency organization.

SECTION 5. Section 8, chapter 886, Oregon Laws 2009, is repealed.

SECTION 6. ORS 416.510 is amended to read:

416.510. As used in ORS 416.510 to 416.610, unless the context requires otherwise:

(1) "Action" means an action, suit or proceeding.

(2) "Applicant" means an applicant for assistance.

(3) "Assistance" means moneys paid by the Department of Human Services to persons directly and moneys paid by the Oregon Health Authority or by a prepaid managed care health services organization for services provided under contract pursuant to ORS 414.725 to others for the benefit of such persons.

(4) "Authority" means the Oregon Health Authority.

(5) "Claim" means a claim of a recipient of assistance for damages for personal injuries against any person or public body, agency or commission other than the State Accident Insurance Fund Corporation or Workers' Compensation Board.

(6) "Compromise" means a compromise between a recipient and any person or public body, agency or commission against whom the recipient has a claim.

(7) "Judgment" means a judgment in any action or proceeding brought by a recipient to enforce the claim of the recipient.

(8) "Prepaid managed care health services organization" [*means a managed health, dental or mental health care organization that contracts with the authority on a prepaid capitated basis pursuant to ORS 414.725. Prepaid managed care health services organizations may be dental care organizations, fully capitated health plans, mental health organizations or chemical dependency organizations*] **has the meaning given that term in ORS 414.736**.

(9) "Recipient" means a recipient of assistance.

(10) "Settlement" means a settlement between a recipient and any person or public body, agency or commission against whom the recipient has a claim.

SECTION 7. Section 3 of this 2011 Act becomes operative on January 1, 2012.

SECTION 8. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.