

**A-Engrossed**  
**House Bill 2122**

Ordered by the House April 19  
Including House Amendments dated April 19

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Health Care for Capitol Dental Care)

**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.

*[Prohibits transfer of provider's enrollees from one managed care organization to another managed care organization with which provider contracts if provider's contract with transferring organization is terminated for cause.]*

**Prohibits transfer of provider's enrollees from one managed care organization to another managed care organization with which provider contracts if provider's contract with transferring organization is terminated for just cause and organization has notified Oregon Health Authority that contract was terminated for just cause.**

**Provides that provider is entitled to expedited contested case hearing to dispute denial of transfer.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to the transfer of 500 or more enrollees from one managed care organization to another  
3 managed care organization; creating new provisions; amending ORS 414.647; and declaring an  
4 emergency.

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

6 **SECTION 1.** ORS 414.647 is amended to read:

7 414.647. (1) The Oregon Health Authority may approve the transfer of 500 or more enrollees  
8 from one prepaid managed care health services organization to another prepaid managed care health  
9 services organization if:

10 (a) The enrollees' provider has contracted with the receiving organization and has stopped ac-  
11 cepting patients from or has terminated providing services to enrollees in the transferring organ-  
12 ization; and

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

14 (2) Enrollees may not be transferred under this section until the authority has evaluated the  
15 receiving organization and determined that the organization meets criteria established by the au-  
16 thority by rule, including but not limited to criteria that ensure that the organization meets the  
17 requirements of ORS 414.645 (1).

18 (3) The authority shall provide notice of a transfer under this section to enrollees that will be  
19 affected by the transfer at least 90 days before the scheduled date of the transfer.

20 **(4)(a) The authority may not approve the transfer of enrollees under this section if:**

21 **(A) The transfer results from the termination of a provider's contract with a prepaid**  
22 **managed care health services organization for just cause; and**

23 **(B) The prepaid managed care health services organization has notified the authority**

**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 that the provider's contract was terminated for just cause.

2 (b) A provider is entitled to a contested case hearing in accordance with ORS chapter 183,  
3 on an expedited basis, to dispute the denial of a transfer of enrollees under this subsection.

4 (c) As used in this subsection, "just cause" means that the contract was terminated for  
5 reasons related to quality of care, competency, fraud or other similar reasons prescribed by  
6 the authority by rule.

7 (5) The provider and the organization shall be the parties to any contested case pro-  
8 ceeding to determine whether the provider's contract was terminated for just cause. The  
9 authority may award attorney fees and costs to the party prevailing in the proceeding, ap-  
10 plying the factors in ORS 20.075.

11 SECTION 2. The amendments to ORS 414.647 by section 1 of this 2013 Act apply to a re-  
12 quest for a transfer of enrollees received by the Oregon Health Authority on or after the  
13 effective date of this 2013 Act.

14 SECTION 3. This 2013 Act being necessary for the immediate preservation of the public  
15 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect  
16 on its passage.

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