# HOUSE AMENDMENTS TO HOUSE BILL 3309

By COMMITTEE ON RULES

June 4

On page 1 of the printed bill, delete lines 5 and 6 and insert:

"**SECTION 1.** The Oregon Health Authority shall conduct a pilot project in Marion and Polk Counties. In the pilot project:

"(1) The board of directors of a coordinated care organization that serves members residing in Marion County or Polk County may petition".

In line 22, delete the period and insert "or upon the termination of the pilot project, whichever occurs first.

"(5) A board member who represents a county government may not be removed under the pilot project.

"**SECTION 2. No later than 12 months after the effective date of this 2013 Act, the Oregon Health Authority shall report to the House Interim Committee on Health Care in the manner prescribed by ORS 192.245:**

**"(1) The results of the pilot project;**

**"(2) Recommendations for legislative changes to the pilot project; and**

**"(3) Recommendations for expanding the pilot project statewide.**".

On page 3, line 30, delete "2" and insert "1".

In line 31, delete "board of directors" and insert "governing body".

In line 33, delete "board" and insert "governing body".

On page 5, line 16, delete "2" and insert "1".

On page 9, after line 42, insert:

"**SECTION 8.** ORS 414.625, as amended by section 3 of this 2013 Act, is amended to read:

"414.625. (1) The Oregon Health Authority shall adopt by rule the qualification criteria and requirements for the certification of a coordinated care organization and shall integrate the criteria and requirements into each contract with a coordinated care organization. Coordinated care organizations may be local, community-based organizations or statewide organizations with community-based participation in governance or any combination of the two. Coordinated care organizations may contract with counties or with other public or private entities to provide services to members. The authority may not contract with only one statewide organization. A coordinated care organization may be a single corporate structure or a network of providers organized through contractual relationships. The criteria adopted by the authority under this section must include, but are not limited to, the coordinated care organization's demonstrated experience and capacity for:

"(a) Managing financial risk and establishing financial reserves.

"(b) Meeting the following minimum financial requirements:

"(A) Maintaining restricted reserves of $250,000 plus an amount equal to 50 percent of the coordinated care organization's total actual or projected liabilities above $250,000.

"(B) Maintaining a net worth in an amount equal to at least five percent of the average combined revenue in the prior two quarters of the participating health care entities.

"(c) Operating within a fixed global budget.

"(d) Developing and implementing alternative payment methodologies that are based on health care quality and improved health outcomes.

"(e) Coordinating the delivery of physical health care, mental health and chemical dependency services, oral health care and covered long-term care services.

"(f) Engaging community members and health care providers in improving the health of the community and addressing regional, cultural, socioeconomic and racial disparities in health care that exist among the coordinated care organization's members and in the coordinated care organization's community.

"(2) In addition to the criteria specified in subsection (1) of this section, the authority must adopt by rule certification requirements for coordinated care organizations contracting with the authority so that:

"(a) Each member of the coordinated care organization receives integrated person centered care and services designed to provide choice, independence and dignity.

"(b) Each member has a consistent and stable relationship with a care team that is responsible for comprehensive care management and service delivery.

"(c) The supportive and therapeutic needs of each member are addressed in a holistic fashion, using patient centered primary care homes or other models that support patient centered primary care and individualized care plans to the extent feasible.

"(d) Members receive comprehensive transitional care, including appropriate follow-up, when entering and leaving an acute care facility or a long term care setting.

"(e) Members receive assistance in navigating the health care delivery system and in accessing community and social support services and statewide resources, including through the use of certified health care interpreters, as defined in ORS 413.550, community health workers and personal health navigators who meet competency standards established by the authority under ORS 414.665 or who are certified by the Home Care Commission under ORS 410.604.

"(f) Services and supports are geographically located as close to where members reside as possible and are, if available, offered in nontraditional settings that are accessible to families, diverse communities and underserved populations.

"(g) Each coordinated care organization uses health information technology to link services and care providers across the continuum of care to the greatest extent practicable and if financially viable.

"(h) Each coordinated care organization complies with the safeguards for members described in ORS 414.635.

"(i) Each coordinated care organization convenes a community advisory council that meets the criteria specified in section 13, chapter 8, Oregon Laws 2012.

"(j) Each coordinated care organization prioritizes working with members who have high health care needs, multiple chronic conditions, mental illness or chemical dependency and involves those members in accessing and managing appropriate preventive, health, remedial and supportive care and services to reduce the use of avoidable emergency room visits and hospital admissions.

"(k) Members have a choice of providers within the coordinated care organization's network and that providers participating in a coordinated care organization:

"(A) Work together to develop best practices for care and service delivery to reduce waste and

improve the health and well-being of members.

"(B) Are educated about the integrated approach and how to access and communicate within the integrated system about a patient's treatment plan and health history.

"(C) Emphasize prevention, healthy lifestyle choices, evidence-based practices, shared decision-making and communication.

"(D) Are permitted to participate in the networks of multiple coordinated care organizations.

"(E) Include providers of specialty care.

"(F) Are selected by coordinated care organizations using universal application and credentialing procedures, objective quality information and are removed if the providers fail to meet objective quality standards.

"(G) Work together to develop best practices for culturally appropriate care and service delivery to reduce waste, reduce health disparities and improve the health and well-being of members.

"(L) Each coordinated care organization reports on outcome and quality measures adopted under ORS 414.638 and participates in the health care data reporting system established in ORS 442.464 and 442.466.

"(m) Each coordinated care organization uses best practices in the management of finances, contracts, claims processing, payment functions and provider networks.

"(n) Each coordinated care organization participates in the learning collaborative described in ORS 442.210 (3).

"(o) [*Except as provided in section 1 of this 2013 Act,*] Each coordinated care organization has a governing body that includes:

"(A) Individuals representing the health care entities that share in the financial risk of the organization who must constitute a majority of the governing body;

"(B) Individuals representing the major components of the health care delivery system;

"(C) At least two health care providers in active practice, including:

"(i) A physician licensed under ORS chapter 677 or a nurse practitioner certified under ORS 678.375, whose area of practice is primary care; and

"(ii) A mental health or chemical dependency treatment provider;

"(D) At least two members from the community at large, to ensure that the organization's decision-making is consistent with the values of the members and the community; and

"(E) At least one member of the community advisory council.

"(3) The authority shall consider the participation of area agencies and other nonprofit agencies in the configuration of coordinated care organizations.

"(4) In selecting one or more coordinated care organizations to serve a geographic area, the authority shall:

"(a) For members and potential members, optimize access to care and choice of providers;

"(b) For providers, optimize choice in contracting with coordinated care organizations; and

"(c) Allow more than one coordinated care organization to serve the geographic area if necessary to optimize access and choice under this subsection.

"(5) On or before July 1, 2014, each coordinated care organization must have a formal contractual relationship with any dental care organization that serves members of the coordinated care organization in the area where they reside.

"**SECTION 9.** ORS 414.635, as amended by section 9, chapter 602, Oregon Laws 2011, and section 5, chapter 8, Oregon Laws 2012, and section 4 of this 2013 Act, is amended to read:

"414.635. (1) The Oregon Health Authority shall adopt by rule safeguards for members enrolled

in coordinated care organizations that protect against underutilization of services and inappropriate denials of services. In addition to any other consumer rights and responsibilities established by law, each member:

"(a) Must be encouraged to be an active partner in directing the member's health care and services and not a passive recipient of care.

"(b) Must be educated about the coordinated care approach being used in the community and how to navigate the coordinated health care system.

"(c) Must have access to advocates, including qualified peer wellness specialists where appropriate, personal health navigators, and qualified community health workers who are part of the member's care team to provide assistance that is culturally and linguistically appropriate to the member's need to access appropriate services and participate in processes affecting the member's care and services.

"(d) Shall be encouraged within all aspects of the integrated and coordinated health care delivery system to use wellness and prevention resources and to make healthy lifestyle choices.

"(e) Shall be encouraged to work with the member's care team, including providers and community resources appropriate to the member's needs as a whole person.

"(2) The authority shall establish and maintain an enrollment process for individuals who are dually eligible for Medicare and Medicaid that promotes continuity of care and that allows the member to disenroll from a coordinated care organization that fails to promptly provide adequate services and:

"(a) To enroll in another coordinated care organization of the member's choice; or

"(b) If another organization is not available, to receive Medicare-covered services on a fee-for-service basis.

"(3) Members and their providers and coordinated care organizations have the right to appeal decisions about care and services through the authority in an expedited manner and in accordance with the contested case procedures in ORS chapter 183.

"(4) A health care entity may not unreasonably refuse to contract with an organization seeking to form a coordinated care organization if the participation of the entity is necessary for the organization to qualify as a coordinated care organization.

"(5) A health care entity may refuse to contract with a coordinated care organization if the reimbursement established for a service provided by the entity under the contract is below the reasonable cost to the entity for providing the service.

"(6) A health care entity that unreasonably refuses to contract with a coordinated care organization may not receive fee-for-service reimbursement from the authority for services that are available through a coordinated care organization either directly or by contract.

"(7) The authority shall adopt by rule a process for resolving disputes involving an entity's refusal to contract with a coordinated care organization under subsections (4) and (5) of this section. The process must include the use of an independent third party arbitrator.

"(8) A coordinated care organization may not unreasonably refuse to contract with a licensed health care provider.

"(9) The authority shall:

"(a) Monitor and enforce consumer rights and protections within the Oregon Integrated and Coordinated Health Care Delivery System and ensure a consistent response to complaints of violations of consumer rights or protections.

"(b) Monitor and report on the statewide health care expenditures and recommend actions ap-

propriate and necessary to contain the growth in health care costs incurred by all sectors of the system.

"(c) Decertify a coordinated care organization that[*:*]

"[*(A)*] substantially fails to comply with rules adopted pursuant to ORS 414.625 or this section[*; or*]

"[*(B) Fails to comply with section 1 (3) of this 2013 Act*].

"**SECTION 10. The amendments to ORS 414.625 and 414.635 by sections 8 and 9 of this 2013 Act become operative January 2, 2018.**

"**SECTION 11. Sections 1 and 2 of this 2013 Act are repealed January 2, 2018.**".

In line 43, delete "8" and insert "12".