

**HB 2122 B STAFF MEASURE SUMMARY****Carrier:** Rep. Greenlick**House Committee On Rules****Action Date:** 05/11/17**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 5-4-0-0**Yeas:** 5 - Holvey, Nosse, Rayfield, Smith Warner, Williamson**Nays:** 4 - Barreto, Hack, Kennemer, McLane**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Erin Seiler, LPRO Analyst**WHAT THE MEASURE DOES:**

Modifies requirements for coordinated care organizations (CCOs). Directs Oregon Health Authority (OHA) to adopt rules for qualification criteria and requirements for CCOs. Specifies criteria that must be included in rules. Directs OHA to convene rules advisory committee to consider operating budgets, obligations and investments of CCOs and other financial factors. Specifies that CCOs spend earnings above specified threshold on services designed to address health disparities and social determinants of health. Requires CCO's governing body to establish standards and what standards are to include. Requires CCOs submit report financial information to OHA annually. Directs CCO's governing board to meet jointly with its community advisory council (CAC) once a year and that meeting be open to public. Requires CAC meetings to be open to public. Requires that CCO must be 501 (c)(3) or public benefit corporation by January 1, 2023.

**ISSUES DISCUSSED:**

- Differences between various amendments
- Transparency and accountability of CCO governance
- Legislative history of CCO creation and formation
- Spending requirements for excess reserves
- Implications of emphasizing a non-profit governance structure
- Quality of health care services provided by CCOs

**EFFECT OF AMENDMENT:**

Directs OHA to adopt rules for qualification criteria and requirements for CCO. Specifies criteria that must be included in rules. Directs OHA to convene a rules advisory committee to consider operating budgets, obligations and investments of CCOs and other financial factors. Specifies that CAC meetings are open to public. Requires that the governing board meetings are subject to recording or written minutes requirements; and to meet jointly with their community advisory council once a year and that the meeting be open to the public. Requires that a CCO must be a 501 (c)(3) or a public benefit corporation by January 1, 2023. Requires CCOs report financial information to OHA annually; specifies report requirements.

**BACKGROUND:**

The coordinated care model was first implemented in coordinated care organizations (CCOs). A CCO is a network of multiple types of health care providers (physical health care, addictions and mental health care and sometimes dental care providers) who have agreed to work together in their local communities to serve people who receive health care coverage under the Oregon Health Plan (Medicaid). CCOs are focused on prevention and helping people manage chronic conditions, like diabetes. This helps reduce unnecessary emergency room visits and gives people support to be healthy. Currently, there are 16 CCOs operating in communities around Oregon.

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In 2016, the Oregon Health Policy Board (OHPB) received a request to provide independent policy guidance to the Legislative Assembly and the Oregon Health Authority regarding the future of CCOs in Oregon's health care system. To accomplish this request, the OHPB conducted a qualitative and quantitative analysis, and developed the following recommendations:

- Clarify CCO top priority
- Improve CCO fiscal transparency
- Improve CCO accountability
- Clarify Oregon Health Authority monitoring and oversight function
- Enhance community access and input to CCOs
- Strengthen health equity accountability and transparency
- Focus on social determinants of health