HB 2267 -2 STAFF MEASURE SUMMARY

House Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst
Meeting Dates: 3/26, 4/4

WHAT THE MEASURE DOES:

Requires the Oregon Health Authority (OHA) to report to the Legislative Assembly on the implementation of transparency provisions related to coordinated care organizations' governing boards.

ISSUES DISCUSSED:

- Proposed statutory changes for coordinated care organizations (CCOs)
- Governing boards and consumer participation
- Engaging recognized tribes in the CCOs, Medicaid, and proposal to create a statewide tribal advisory council
- Investments in social determinants of health and coordinating efforts within a community around community health improvement plans
- CCO procurement process (2019), enrollment in 2020 for upcoming five-year contracts (2020-2024), risk corridor, rate setting, stability, and open enrollment period for Medicaid enrollees and CCO member assignment

EFFECT OF AMENDMENT:

-2 Replaces the measure. **Sections 1 and 9:** Requires coordinated care organizations (CCOs) to collaborate with local public health authority and hospitals to conduct a community health assessment and adopt a community health improvement plan. Authorizes the Oregon Health Authority (OHA) to conduct rulemaking for the health assessment and improvement plans. Specifies that a health improvement plan must include a component to address the health of children and youth.
Section 2: Creates the CCO Reinsurance Program in OHA; defines attachment point, coinsurance rate, costs, reinsurance cap, reinsurance payment. Specifies the program is to make payments to CCOs that incur high costs and to manage costs systemically. Defines program eligibility and grants OHA rulemaking authority to adopt specific provisions including the amount, manner, and frequency of reinsurance payments. Authorizes OHA to factor in reinsurance payments received by a COO in calculating their global budget, and to work with the Centers for Medicare and Medicaid Services to create program and ensure compliance to receive federal financial participation. **Section 3**: Establishes the Tribal Advisory Council; specifies duties, membership, appointment, and compensation. Specifies role of tribal liaison. **Section 4:** Specifies that "small business" does not include CCOs for the purpose of the Administrative Procedures Act and its application to specified agencies. **Sections 6 and 7**: Modifies composition of CCO community advisory council by increasing from one member to two, who within the last six months was a Medicaid recipient or a parent, guardian, or primary caregiver of an individual that was a recipient of Medicaid. **Section 9:** Authorizes OHA to adjust the global budget of a CCO, within the first eight months of the effective date of the contract, to account for changes in membership or members' health status..

REVENUE: Revenue impact statement issued: further analysis required.
FISCAL: May have fiscal impact, but no statement yet issued.

BACKGROUND:

Oregon's coordinated care organizations (CCOs) are organizations governed by health care providers, community members, and organizations responsible for the financial risks of providing patient-centered health care services. CCOs are responsible for the integration and coordination of physical, mental, behavioral, and dental care services for 90 percent of Medicaid beneficiaries enrolled in the Oregon Health Plan (OHP). All CCOs operate within a

global budget, which grows at a fixed rate, achieve performance goals, and are held accountable for the Triple Aim. The Triple Aim seeks to improve the individual experience of care, improve the health of populations, and reduce the per-capita costs of care for populations.

In 2012, the Oregon Health Authority (OHA) executed five-year contracts with CCOs in conjunction with a Section 1115 federal Medicaid waiver. The contracts required each CCO to have a comprehensive plan that described its goals and activities for transforming care, a written plan for using health information technology, and to implement a quality improvement plan.

In 2017, the Center for Health Systems Effectiveness released a comprehensive evaluation of Oregon's 2012-2017 Medicaid waiver including an assessment of the CCOs. Findings indicate that CCOs were successful with decreased spending, investing in infrastructure for health care transformation, and achieving improvements in overall quality and access to care. Building on the findings of the evaluation and community input, in 2018, the Oregon Health Policy Board (OHPB) released recommendations to inform the next phase of Oregon's CCO model (CCO 2.0). The 2018 recommendations seek to:

- address disparities in the health care system;
- increase a focus on issues outside the doctor's office that impact health;
- improve access to high quality physical, behavioral, and oral health care;
- change the way the state pays for health care;
- increase transparency; and,
- ensure the financial stability of OHP

In February 2019, OHA released the request for applications (RFA) which specifies the requirements organizations must meet to serve OHP members as a CCO. OHA states that the new set of contracts with CCOs serves as the largest procurement in state history and represents the next phase of health care transformation, known as "CCO 2.0."

House Bill 2267 modifies requirements for Oregon coordinated care organizations starting in 2020.