HB 3353 -1 STAFF MEASURE SUMMARY

House Committee On Health Care

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Meeting Dates: 4/6, 4/13

WHAT THE MEASURE DOES:

Requires Oregon Health Authority (OHA) to request approval from Centers for Medicare and Medicaid Services (CMS) to allow coordinated care organizations (CCOs) to spend three percent of their global budgets to address the needs of local communities. Specifies allowable expenditures to include funding programs or services that improve health equity or enhance provider payments. Requires a CCO to spend at least 30 percent of specified funds on programs or efforts to address health inequities and at least 20 percent to improve behavioral health. Specifies criteria for allowable expenditures. Requires OHA to create an oversight committee to evaluate allowable expenditures and develop recommendations on best practices for CCOs. Requires OHA Director to notify Legislative Counsel if approved by CMS.

ISSUES DISCUSSED:

- Stable support for community-based organizations serving CCO enrollees
- Recruit and retain adequate behavioral health workforce
- Impact of COVID-19 pandemic and recent wildfires
- Accountability of CCOs and OHA
- Proposed three percent expenditures, community investments, and accountability

EFFECT OF AMENDMENT:

-1 **Modifies the measure**. Modifies allowable expenditures to include investments in "efforts" to diversify care locations and support staff such as health system navigators and peer support individuals. Expands allowable expenditures to include working with tribal governments. Clarifies a CCO must spend 30 percent to "achieve" health equity for underserved priority populations. Expands allowable behavioral health expenditure to include creating a culturally and linguistically competent workforce. Requires specified expenditures by informed or directed by local organizations and approved by the community advisory council. Replaces reference to empirical evidence with practice-based or community-based evidence. Specifies funds should be expended with least amount of general funds. Authorizes oversight committee to resolve disputes between OHA and a CCO regarding allowable expenditures. Requires OHA to publicly report allowable expenditure data submitted to CMS.

REVENUE: statement issued - no impact.

FISCAL: statement issued - fiscal impact.

BACKGROUND:

Oregon's coordinated care organizations (CCOs) are 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 integrating and coordinating 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 and are held accountable for applying the Triple Aim and achieving specified performance goals.

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

implementing a quality improvement plan.

In 2017, OHA renewed its 1115 waiver with the Centers for Medicare and Medicaid Services (CMS), which expires June 2022. In 2018, House Bill 4018 passed, requiring CCOs to spend a portion of their profits on services designed to address health disparities and social determinants of health consistent with Section 1115 waiver terms (the Supporting Health for All through REinvestment (or SHARE) Initiative). In 2019, OHA signed contracts with 15 CCOs to serve OHP members through 2024 and launched CCO 2.0. In CCO 2.0, OHA requires CCOs to include social determinants of health and equity (SDOH-E) in the development of the community health assessment and improvement plans. According to OHA , the SHARE Initiative requires CCOs that exceed certain financial requirements to spend funds to address SDOH-E, separate from health-related services.

House Bill 3353 would require coordinated care organizations, with federal approval, to increase spending on services and programs that advance health equity.