

HB 2205 -7 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 3/27, 4/8

WHAT THE MEASURE DOES:

The measure extends the term of the contract between the Oregon Health Authority (OHA) and a coordinated care organization (CCO) to ten years, requiring review of specified elements after five years.

Detailed Summary:

- Extends terms of contract between the OHA and a CCO from five to ten years.
- After five years requires OHA review of the CCO's:
 - Performance on quality measures;
 - Performance on external quality reviews; and
 - The extent to which meaningful participation has been afforded to the CCO's community advisory council (CAC).

FISCAL: *May have fiscal impact, but no statement yet issued.*

REVENUE: *May have revenue impact, but no statement yet issued.*

ISSUES DISCUSSED:

- Current CCO procurement process.
- Current contract term lengths and annual amendment.
- Current timeline for upcoming CCO procurement.
- Size of procurement and benefits of flexibility.

EFFECT OF AMENDMENT:

-7 Replaces the measure.

- Specifies that initial term of contracts is at least five years and that contract length shall be the same for all CCOs.
- Removes provisions requiring OHA review of CCOs after five years.
- Clarifies that OHA may further extend CCO contracts set to expire on December 31, 2026.

FISCAL: *Has minimal fiscal impact*

REVENUE: *No revenue impact*

BACKGROUND:

With the passage of House Bill 3650 (2011) and Senate Bill 1580 (2012), the Legislative Assembly established the coordinated care model for delivering care to Medicaid recipients in Oregon. With a focus on primary care and prevention, coordinated care organizations (CCOs) are local networks of providers that have agreed to work together under a budget that combines physical, oral, and behavioral health services. Senate Bill 725 (2013) required that the contract entered into between OHA and a CCO be for a term of five years, with only one permitted amendment during each 12-month period, unless the amendment is mutually agreed to or required by federal or state law. There are currently 16 CCOs providing Medicaid coverage to over 92 percent of Oregon's 1.4 million Medicaid enrollees.

House Bill 2205 extends the term of the contract between the Oregon Health Authority and a coordinated care organization to ten years, requiring review of specified elements after five years

PRELIMINARY