

# House Bill 2215

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Behavioral Health and Health Care for Representative Rob Nosse)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act changes the process for adopting global budgets for CCOs. (Flesch Readability Score: 64.9).

Establishes a process for determining global budgets for coordinated care organizations that is similar to the rate review process for insurers.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to global budgets for coordinated care organizations; creating new provisions; amending  
3 ORS 414.065; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2025 Act are added to and made a part of ORS**  
6 **chapter 414.**

7 **SECTION 2. (1) When determining a global budget for a coordinated care organization,**  
8 **the Director of the Oregon Health Authority shall publish a proposed global budget reflecting**  
9 **the amounts that the coordinated care organization may be paid for the delivery of, man-**  
10 **agement of, access to and quality of the health care delivered to members of the coordinated**  
11 **care organization. A proposed global budget must include sufficient actuarial or other ana-**  
12 **lyses, calculations or evaluations relied on by the Oregon Health Authority to provide a**  
13 **reasonable opportunity for interested persons to be apprised of the authority's rationale for**  
14 **the proposed global budget. The director shall open a 30-day public comment period on the**  
15 **proposed global budget. The director shall post all of the comments received to the**  
16 **authority's website without delay.**

17 **(2) After the close of the public comment period described in subsection (1) of this sec-**  
18 **tion, the director shall issue a preliminary decision to approve, disapprove or modify the**  
19 **proposed global budget. The director shall notify the coordinated care organization of, and**  
20 **make available to the public, the preliminary decision, including:**

21 **(a) An explanation of the findings and rationale that are the basis for the preliminary**  
22 **decision; and**

23 **(b) Any actuarial or other analyses, calculations or evaluations relied on by the director**  
24 **in arriving at the preliminary decision.**

25 **(3) The director shall provide the coordinated care organization, or any person adversely**  
26 **affected or aggrieved by the preliminary decision, the opportunity to meet with the authority**  
27 **to discuss and respond to the preliminary decision. The meeting shall:**

28 **(a) Include an authority employee who reviewed the global budget; and**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1       **(b) Comply with the requirements of ORS 192.610 to 192.705.**

2       **(4)(a) The director shall issue a proposed order, no later than 30 days after the director**  
3 **issues a preliminary decision under subsection (2) of this section, to approve, disapprove or**  
4 **modify the proposed global budget based on the information submitted during the public**  
5 **comment period.**

6       **(b) The authority shall mail the proposed order to the coordinated care organization and**  
7 **post the proposed order to the authority's website.**

8       **(c) The proposed order must include:**

9       **(A) An explanation of the findings and rationale that are the basis for the proposed order,**  
10 **including any actuarial or other analyses, calculations or evaluations relied on by the direc-**  
11 **tor in the director's findings or rationale; and**

12       **(B) Notice of the right of the coordinated care organization or any person adversely af-**  
13 **ected or aggrieved by the proposed order to request a review by the director, in accordance**  
14 **with subsection (6) of this section, no later than 10 days after the date that the proposed**  
15 **order was issued.**

16       **(5) If the coordinated care organization or a person adversely affected or aggrieved by**  
17 **the proposed order does not timely request a review of the proposed order by the director,**  
18 **the director shall issue a final order as described in subsection (6)(d) of this section.**

19       **(6) If the coordinated care organization or a person adversely affected or aggrieved by**  
20 **the proposed order timely requests a review by the director of the proposed order:**

21       **(a) The requester may not supply new facts or data, but may provide a brief, memoran-**  
22 **dum or analysis based on the evidence contained in the proposed global budget or received**  
23 **and considered by the authority during the public comment period;**

24       **(b) The director may not delegate the decision-making authority for the request for re-**  
25 **view to any other individual;**

26       **(c) The director shall issue a final order to approve, disapprove or modify the proposed**  
27 **global budget no later than 30 days after the request for review is received by the director;**  
28 **and**

29       **(d) The final order shall include:**

30       **(A) An explanation of the findings and rationale that are the basis for the final order;**  
31 **and**

32       **(B) Notice of the right to a contested case hearing in accordance with ORS chapter 183.**

33       **(7)(a) If, following the issuance of a final order under subsection (6)(c) of this section but**  
34 **before the effective date of the global budget approved by the final order, an event occurs**  
35 **that materially affects the director's decision to approve the global budget, the director may**  
36 **open a new public comment period for a period of time that the director determines is nec-**  
37 **essary to receive comments concerning the event. Based upon the event and the public**  
38 **comments received, the director shall affirm the final order by providing a written explana-**  
39 **tion of the basis for affirming the final order or issue a new proposed order, as described in**  
40 **subsection (4) of this section.**

41       **(b) In the consideration of public comments or the event described in paragraph (a) of**  
42 **this subsection or in issuing any new proposed order, the director may consider supplemental**  
43 **facts or data reasonably related to the event described in paragraph (a) of this subsection.**

44       **(8) Subsections (2) to (7) of this section do not require the director or the authority to**  
45 **perform any actuarial or other analyses, calculations or evaluations.**

1       **SECTION 3.** No later than December 31 of each year, the Oregon Health Authority shall  
 2 report to the Health Care Cost Growth Target program established in ORS 442.386 and to the  
 3 interim committees of the Legislative Assembly related to health, in the manner provided in  
 4 ORS 192.245, the following information about global budgets for coordinated care organiza-  
 5 tions developed by the authority under section 2 of this 2025 Act:

6       (1) Proposed global budgets, including any actuarial or other analyses, calculations or  
 7 evaluations that the authority relied on in developing the proposed global budgets;

8       (2) A summary of the public comments on the proposed global budgets and a summary  
 9 of any reviews requested by a coordinated care organization or a person adversely affected  
 10 or aggrieved by a proposed order under section 2 of this 2025 Act; and

11       (3) Final orders adopting global budgets.

12       **SECTION 4.** ORS 414.065, as amended by section 1, chapter 18, Oregon Laws 2024, is amended  
 13 to read:

14       414.065. (1)(a) Consistent with ORS 414.690, 414.710, 414.712 and 414.766 and section 2 of this  
 15 **2025 Act** and other statutes governing the provision of and payments for health services in medical  
 16 assistance, the Oregon Health Authority shall determine, subject to such revisions as it may make  
 17 from time to time and to legislative funding:

18       (A) The types and extent of health services to be provided to each eligible group of recipients  
 19 of medical assistance.

20       (B) Standards, including outcome and quality measures, to be observed in the provision of health  
 21 services.

22       (C) The number of days of health services toward the cost of which medical assistance funds  
 23 will be expended in the care of any person.

24       (D) Reasonable fees, charges, daily rates and global payments for meeting the costs of providing  
 25 health services to an applicant or recipient.

26       (E) Reasonable fees for professional medical and dental services which may be based on usual  
 27 and customary fees in the locality for similar services.

28       (F) The amount and application of any copayment or other similar cost-sharing payment that the  
 29 authority may require a recipient to pay toward the cost of health services.

30       (b) The authority shall adopt rules establishing timelines for payment of health services under  
 31 paragraph (a) of this subsection.

32       (2) In making the determinations under subsection (1) of this section and in the imposition of  
 33 any utilization controls on access to health services, the authority may not consider a quality of life  
 34 in general measure, either directly or by considering a source that relies on a quality of life in  
 35 general measure.

36       (3) The types and extent of health services and the amounts to be paid in meeting the costs  
 37 thereof, as determined and fixed by the authority and within the limits of funds available therefor,  
 38 shall be the total available for medical assistance, and payments for such medical assistance shall  
 39 be the total amounts from medical assistance funds available to providers of health services in  
 40 meeting the costs thereof.

41       (4) Except for payments under a cost-sharing plan, payments made by the authority for medical  
 42 assistance shall constitute payment in full for all health services for which such payments of medical  
 43 assistance were made.

44       (5) Notwithstanding subsection (1) of this section, the Department of Human Services shall be  
 45 responsible for determining the payment for Medicaid-funded long term care services and for con-

1 tracting with the providers of long term care services.

2 (6) In determining a global budget for a coordinated care organization **pursuant to section 2**  
3 **of this 2025 Act:**

4 (a) The allocation of the payment, the risk and any cost savings shall be determined by the  
5 governing body of the organization;

6 (b) The authority shall consider the community health assessment conducted by the organization  
7 in accordance with ORS 414.577 and reviewed annually, and the organization's health care costs;  
8 and

9 (c) The authority shall take into account the organization's provision of innovative, nontradi-  
10 tional health services.

11 (7) Under the supervision of the Governor, the authority may work with the Centers for Medi-  
12 care and Medicaid Services to develop, in addition to global budgets, payment streams:

13 (a) To support improved delivery of health care to recipients of medical assistance; and

14 (b) That are funded by coordinated care organizations, counties or other entities other than the  
15 state whose contributions qualify for federal matching funds under Title XIX or XXI of the Social  
16 Security Act.

17 **SECTION 5. Sections 2 and 3 of this 2025 Act apply to global budget determinations for**  
18 **coordinated care organizations initiated on or after the operative date specified in section 6**  
19 **of this 2025 Act.**

20 **SECTION 6. (1) Sections 2 and 3 of this 2025 Act become operative on January 1, 2026.**

21 **(2) The Oregon Health Authority may take any action before the operative date specified**  
22 **in subsection (1) of this section that is necessary to enable the authority to exercise, on and**  
23 **after the operative date specified in subsection (1) of this section, all of the duties, functions**  
24 **an powers conferred on the authority by sections 2 and 3 of this 2025 Act.**

25 **SECTION 7. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
26 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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