

HB 2205-7
(LC 2409)
4/2/25 (RH/ps)

Requested by Representative NOSSE

**PROPOSED AMENDMENTS TO
HOUSE BILL 2205**

1 On page 1 of the printed bill, line 3, after “414.590” insert “and section
2 2, chapter 441, Oregon Laws 2023”.

3 Delete lines 5 through 28 and delete pages 2 and 3 and insert:

4 **“SECTION 1.** ORS 414.590 is amended to read:

5 “414.590. (1) As used in this section:

6 “(a) ‘Benefit period’ means a period of time, shorter than the [*five-year*]
7 contract term, for which specific terms and conditions in a contract between
8 a coordinated care organization and the Oregon Health Authority are in ef-
9 fect.

10 “(b) ‘Renew’ means an agreement by a coordinated care organization to
11 amend the terms or conditions of an existing contract for the next benefit
12 period.

13 “(2) A contract entered into between the authority and a coordinated care
14 organization under ORS 414.572 (1):

15 “(a) Shall be:

16 **“(A) For [*a*] an initial term of no less than five years; and**

17 **“(B) The same length for all coordinated care organizations con-
18 tracting with the authority;**

19 “(b) Except as provided in subsection (4) of this section, may not be
20 amended more than once in each 12-month period; and

21 “(c) May be terminated by the authority if a coordinated care organiza-

1 tion fails to meet outcome and quality measures specified in the contract or
2 is otherwise in breach of the contract.

3 “(3) This section does not prohibit the authority from allowing a coordi-
4 nated care organization a reasonable amount of time in which to cure any
5 failure to meet outcome and quality measures specified in the contract prior
6 to the termination of the contract.

7 “(4) A contract entered into between the authority and a coordinated care
8 organization may be amended:

9 “(a) More than once in each 12-month period if:

10 “(A) The authority and the coordinated care organization mutually agree
11 to amend the contract; or

12 “(B) Amendments are necessitated by changes in federal or state law.

13 “(b) Once within the first eight months of the effective date of the con-
14 tract if needed to adjust the global budget of a coordinated care organiza-
15 tion, retroactive to the beginning of the calendar year, to take into account
16 changes in the membership of the coordinated care organization or the
17 health status of the coordinated care organization’s members.

18 “(5) Except as provided in subsection (8) of this section, the authority
19 must give a coordinated care organization at least 60 days’ advance notice
20 of any amendments the authority proposes to existing contracts between the
21 authority and the coordinated care organization.

22 “(6) Except as provided in subsection (4)(b) of this section, an amendment
23 to a contract may apply retroactively only if:

24 “(a) The amendment does not result in a claim by the authority for the
25 recovery of amounts paid by the authority to the coordinated care organiza-
26 tion prior to the date of the amendment; or

27 “(b) The Centers for Medicare and Medicaid Services notifies the au-
28 thority, in writing, that the amendment is a condition for approval of the
29 contract by the Centers for Medicare and Medicaid Services.

30 “(7) If an amendment to a contract under subsection (6)(b) of this section

1 or other circumstances arise that result in a claim by the authority for the
2 recovery of amounts previously paid to a coordinated care organization by
3 the authority, the authority shall ensure that the recovery does not have a
4 material adverse effect on the coordinated care organization's ability to
5 maintain the required minimum amounts of risk-based capital.

6 “(8) No later than 134 days prior to the end of a benefit period, the au-
7 thority shall provide to each coordinated care organization notice of the
8 proposed changes to the terms and conditions of a contract, as will be sub-
9 mitted to the Centers for Medicare and Medicaid Services for approval, for
10 the next benefit period.

11 “(9) A coordinated care organization must notify the authority of the co-
12 ordinated care organization's refusal to renew a contract with the authority
13 no later than 14 days after the authority provides the notice described in
14 subsection (8) of this section. Except as provided in subsections (10) and (11)
15 of this section, a refusal to renew terminates the contract at the end of the
16 benefit period.

17 “(10) The authority may require a contract to remain in force into the
18 next benefit period and be amended as proposed by the authority until 90
19 days after the coordinated care organization has, in accordance with criteria
20 prescribed by the authority:

21 “(a) Notified each of its members and contracted providers of the termi-
22 nation of the contract;

23 “(b) Provided to the authority a plan to transition its members to another
24 coordinated care organization; and

25 “(c) Provided to the authority a plan for closing out its coordinated care
26 organization business.

27 “(11) The authority may waive compliance with the deadlines in sub-
28 sections (9) and (10) of this section if the Director of the Oregon Health
29 Authority finds that the waiver of the deadlines is consistent with the ef-
30 fective and efficient administration of the medical assistance program and

1 the protection of medical assistance recipients.

2 **“SECTION 2.** Section 2, chapter 441, Oregon Laws 2023, is amended to
3 read:

4 **“Sec. 2.** [*Notwithstanding ORS 414.590 (2)(a),*] A contract entered into
5 between the Oregon Health Authority and a coordinated care organization
6 under ORS 414.572 (1) that is in effect on [*the effective date of this 2023*
7 *Act*] **July 27, 2023**, shall be extended to December 31, 2026, **unless further**
8 **extended by the authority.**

9 **“SECTION 3.** **The amendments to ORS 414.590 by section 1 of this**
10 **2025 Act apply to contracts between the Oregon Health Authority and**
11 **a coordinated care organization that are in effect on the effective date**
12 **of this 2025 Act or that are entered into, amended or renewed on or**
13 **after the effective date of this 2025 Act.”.**

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