

# House Bill 2317

Sponsored by Representative NATHANSON; Senator PATTERSON (Pre-session filed.)

## 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 requires the governing body of a CCO to include at least one person from an FQHC and at least one public health official. (Flesch Readability Score: 63.0).

Requires the governing body of a coordinated care organization to include at least one representative of a federally qualified health center and at least one senior public health official.

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

## A BILL FOR AN ACT

1 Relating to coordinated care organizations; amending ORS 414.572; and prescribing an effective date.

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

3 **SECTION 1.** ORS 414.572 is amended to read:

4 414.572. (1) The Oregon Health Authority shall adopt by rule the qualification criteria and re-  
5 quirements for a coordinated care organization and shall integrate the criteria and requirements  
6 into each contract with a coordinated care organization. Coordinated care organizations may be  
7 local, community-based organizations or statewide organizations with community-based participation  
8 in governance or any combination of the two. Coordinated care organizations may contract with  
9 counties or with other public or private entities to provide services to members. The authority may  
10 not contract with only one statewide organization. A coordinated care organization may be a single  
11 corporate structure or a network of providers organized through contractual relationships. The cri-  
12 teria and requirements adopted by the authority under this section must include, but are not limited  
13 to, a requirement that the coordinated care organization:

14 (a) Have demonstrated experience and a capacity for managing financial risk and establishing  
15 financial reserves.

16 (b) Meet the following minimum financial requirements:

17 (A) Maintain restricted reserves of \$250,000 plus an amount equal to 50 percent of the coordi-  
18 nated care organization's total actual or projected liabilities above \$250,000.

19 (B) Maintain capital or surplus of not less than \$2,500,000 and any additional amounts necessary  
20 to ensure the solvency of the coordinated care organization, as specified by the authority by rules  
21 that are consistent with ORS 731.554 (6), 732.225, 732.230 and 750.045.

22 (C) Expend a portion of the annual net income or reserves of the coordinated care organization  
23 that exceed the financial requirements specified in this paragraph on services designed to address  
24 health disparities and the social determinants of health consistent with the coordinated care  
25 organization's community health improvement plan and transformation plan and the terms and con-  
26 ditions of the Medicaid demonstration project under section 1115 of the Social Security Act (42  
27 U.S.C. 1315).

28 (c) Operate within a fixed global budget and other payment mechanisms described in subsection  
29

**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 (6) of this section and spend on primary care, as defined by the authority by rule, at least 12 percent  
2 of the coordinated care organization's total expenditures for physical and mental health care pro-  
3 vided to members, except for expenditures on prescription drugs, vision care and dental care.

4 (d) Develop and implement alternative payment methodologies that are based on health care  
5 quality and improved health outcomes.

6 (e) Coordinate the delivery of physical health care, behavioral health care, oral health care and  
7 covered long-term care services.

8 (f) Engage community members and health care providers in improving the health of the com-  
9 munity and addressing regional, cultural, socioeconomic and racial disparities in health care that  
10 exist among the coordinated care organization's members and in the coordinated care organization's  
11 community.

12 (2) In addition to the criteria and requirements specified in subsection (1) of this section, the  
13 authority must adopt by rule requirements for coordinated care organizations contracting with the  
14 authority so that:

15 (a) Each member of the coordinated care organization receives integrated person centered care  
16 and services designed to provide choice, independence and dignity.

17 (b) Each member has a consistent and stable relationship with a care team that is responsible  
18 for comprehensive care management and service delivery.

19 (c) The supportive and therapeutic needs of each member are addressed in a holistic fashion,  
20 using patient centered primary care homes, behavioral health homes or other models that support  
21 patient centered primary care and behavioral health care and individualized care plans to the extent  
22 feasible.

23 (d) Members receive comprehensive transitional care, including appropriate follow-up, when en-  
24 tering and leaving an acute care facility or a long term care setting.

25 (e) Members are provided:

26 (A) Assistance in navigating the health care delivery system;

27 (B) Assistance in accessing community and social support services and statewide resources;

28 (C) Meaningful language access as required by federal and state law including, but not limited  
29 to, 42 U.S.C. 18116, Title VI of the Civil Rights Act of 1964, Title VI Guidance issued by the United  
30 States Department of Justice and the National Standards for Culturally and Linguistically Appro-  
31 priate Services in Health and Health Care as issued by the United States Department of Health and  
32 Human Services; and

33 (D) Qualified health care interpreters or certified health care interpreters listed on the health  
34 care interpreter registry, as those terms are defined in ORS 413.550.

35 (f) Services and supports are geographically located as close to where members reside as possi-  
36 ble and are, if available, offered in nontraditional settings that are accessible to families, diverse  
37 communities and underserved populations.

38 (g) Each coordinated care organization uses health information technology to link services and  
39 care providers across the continuum of care to the greatest extent practicable and if financially vi-  
40 able.

41 (h) Each coordinated care organization complies with the safeguards for members described in  
42 ORS 414.605.

43 (i) Each coordinated care organization convenes a community advisory council that meets the  
44 criteria specified in ORS 414.575.

45 (j) Each coordinated care organization prioritizes working with members who have high health

1 care needs, multiple chronic conditions or behavioral health conditions and involves those members  
 2 in accessing and managing appropriate preventive, health, remedial and supportive care and ser-  
 3 vices, including the services described in ORS 414.766, to reduce the use of avoidable emergency  
 4 room visits and hospital admissions.

5 (k) Members have a choice of providers within the coordinated care organization’s network and  
 6 that providers participating in a coordinated care organization:

7 (A) Work together to develop best practices for care and service delivery to reduce waste and  
 8 improve the health and well-being of members.

9 (B) Are educated about the integrated approach and how to access and communicate within the  
 10 integrated system about a patient’s treatment plan and health history.

11 (C) Emphasize prevention, healthy lifestyle choices, evidence-based practices, shared decision-  
 12 making and communication.

13 (D) Are permitted to participate in the networks of multiple coordinated care organizations.

14 (E) Include providers of specialty care.

15 (F) Are selected by coordinated care organizations using universal application and credentialing  
 16 procedures and objective quality information and are removed if the providers fail to meet objective  
 17 quality standards.

18 (G) Work together to develop best practices for culturally and linguistically appropriate care  
 19 and service delivery to reduce waste, reduce health disparities and improve the health and well-  
 20 being of members.

21 (L) Each coordinated care organization reports on outcome and quality measures adopted under  
 22 ORS 413.022 and participates in the health care data reporting system established in ORS 442.372  
 23 and 442.373.

24 (m) Each coordinated care organization uses best practices in the management of finances,  
 25 contracts, claims processing, payment functions and provider networks.

26 (n) Each coordinated care organization participates in the learning collaborative described in  
 27 ORS 413.259 (3).

28 (o) Each coordinated care organization has a governing body that complies with ORS 414.584  
 29 and that includes:

30 (A) At least one member representing persons that share in the financial risk of the organiza-  
 31 tion;

32 (B) A representative of a dental care organization selected by the coordinated care organization;

33 (C) The major components of the health care delivery system, **including at least one repre-**  
 34 **sentative of a federally qualified health center;**

35 (D) At least two health care providers in active practice, including:

36 (i) A physician licensed under ORS chapter 677 or a nurse practitioner licensed under ORS  
 37 678.375, whose area of practice is primary care; and

38 (ii) A behavioral health provider;

39 (E) At least two members from the community at large, to ensure that the organization’s  
 40 decision-making is consistent with the values of the members and the community; *[and]*

41 (F) At least two members of the community advisory council, one of whom is or was within the  
 42 previous six months a recipient of medical assistance and is at least 16 years of age or a parent,  
 43 guardian or primary caregiver of an individual who is or was within the previous six months a re-  
 44 cipient of medical assistance; **and**

45 **(G) At least one senior public health official, including a local public health administrator**

1 **as defined in ORS 431.003, a local health officer as defined in ORS 431.003 or a communicable**  
 2 **disease nurse supervisor.**

3 (p) Each coordinated care organization’s governing body establishes standards for publicizing  
 4 the activities of the coordinated care organization and the organization’s community advisory  
 5 councils, as necessary, to keep the community informed.

6 (q) Each coordinated care organization publishes on a website maintained by or on behalf of the  
 7 coordinated care organization, in a manner determined by the authority, a document designed to  
 8 educate members about best practices, care quality expectations, screening practices, treatment  
 9 options and other support resources available for members who have mental illnesses or substance  
 10 use disorders.

11 (r) Each coordinated care organization works with the Tribal Advisory Council established in  
 12 ORS 414.581 and has a dedicated tribal liaison, selected by the council, to:

13 (A) Facilitate a resolution of any issues that arise between the coordinated care organization  
 14 and a provider of Indian health services within the area served by the coordinated care organiza-  
 15 tion;

16 (B) Participate in the community health assessment and the development of the health im-  
 17 provement plan;

18 (C) Communicate regularly with the Tribal Advisory Council; and

19 (D) Be available for training by the office within the authority that is responsible for tribal af-  
 20 fairs, any federally recognized tribe in Oregon and the urban Indian health program that is located  
 21 within the area served by the coordinated care organization and operated by an urban Indian or-  
 22 ganization pursuant to 25 U.S.C. 1651.

23 (3) The authority shall consider the participation of area agencies and other nonprofit agencies  
 24 in the configuration of coordinated care organizations.

25 (4) In selecting one or more coordinated care organizations to serve a geographic area, the au-  
 26 thority shall:

27 (a) For members and potential members, optimize access to care and choice of providers;

28 (b) For providers, optimize choice in contracting with coordinated care organizations; and

29 (c) Allow more than one coordinated care organization to serve the geographic area if necessary  
 30 to optimize access and choice under this subsection.

31 (5) On or before July 1, 2014, each coordinated care organization must have a formal contractual  
 32 relationship with any dental care organization that serves members of the coordinated care organ-  
 33 ization in the area where they reside.

34 (6) In addition to global budgets, the authority may employ other payment mechanisms to reim-  
 35 burse coordinated care organizations for specified health services during limited periods of time if:

36 (a) Global budgets remain the primary means of reimbursing coordinated care organizations for  
 37 care and services provided to the coordinated care organization’s members;

38 (b) The other payment mechanisms are consistent with the legislative intent expressed in ORS  
 39 414.018 and the system design described in ORS 414.570 (1); and

40 (c) The payment mechanisms are employed only for health-related social needs services, such  
 41 as housing supports, nutritional assistance and climate-related assistance, approved for the demon-  
 42 stration project under 42 U.S.C. 1315 by the Centers for Medicare and Medicaid Services.

43 **SECTION 2. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
 44 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**