

# House Bill 2507

Sponsored by Representative BARNHART (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**.

Requires contract between Oregon Health Authority and coordinated care organization, and contract between public charter school and private entity that provides educational or administrative services, to require coordinated care organization or private entity to disclose tax information and submit to audit by Secretary of State.

## A BILL FOR AN ACT

1  
2 Relating to financial disclosures by certain private entities; creating new provisions; and amending  
3 ORS 414.652.

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

5 **SECTION 1.** ORS 414.652, as amended by section 1, chapter 79, Oregon Laws 2016, is amended  
6 to read:

7 414.652. (1) A contract entered into between the Oregon Health Authority and a coordinated  
8 care organization under ORS 414.625 (1):

9 (a) Shall be for a term of five years;

10 (b) Except as provided in subsection (3) of this section, may not be amended more than once in  
11 each 12-month period; *and*

12 (c) May be terminated if a coordinated care organization fails to meet outcome and quality  
13 measures specified in the contract or is otherwise in breach of the contract[.]; **and**

14 **(d) Must require the coordinated care organization:**

15 **(A) No more than 60 days after filing a tax return with a state or federal taxing author-**  
16 **ity, to publicly disclose the tax return;**

17 **(B) No more than 60 days after receiving a property tax statement from any taxing au-**  
18 **thority, to publicly disclose the statement; and**

19 **(C) To submit to a financial audit conducted by the Secretary of State under section 4**  
20 **of this 2017 Act.**

21 (2) This section does not prohibit the authority from allowing a coordinated care organization  
22 a reasonable amount of time in which to cure any failure to meet outcome and quality measures  
23 specified in the contract prior to the termination of the contract.

24 (3) A contract entered into between the authority and a coordinated care organization may be  
25 amended more than once in each 12-month period if:

26 (a) The authority and the coordinated care organization mutually agree to amend the contract;  
27 or

28 (b) Amendments are necessitated by changes in federal or state law.

29 (4) The authority must give a coordinated care organization at least 60 days' advance notice of  
30 any amendments the authority proposes to existing contracts between the authority and the coor-

**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 dinated care organization, or to contracts to be renewed, including the global budget paid to the  
2 coordinated care organization under the contract.

3 (5) An amendment to a contract may apply retroactively only if:

4 (a) The amendment does not result in a claim by the authority for the recovery of amounts paid  
5 by the authority to the coordinated care organization prior to the date of the amendment; or

6 (b) The Centers for Medicare and Medicaid Services notifies the authority, in writing, that the  
7 amendment is a condition for approval of the contract by the Centers for Medicare and Medicaid  
8 Services.

9 **SECTION 2. Section 3 of this 2017 Act is added to and made a part of ORS chapter 338.**

10 **SECTION 3. If a public charter school contracts with a private entity to provide educa-  
11 tional or administrative services to the public charter school, the contract must require the  
12 private entity:**

13 (1) **No more than 60 days after filing a tax return with a state or federal taxing authority,  
14 to publicly disclose the tax return;**

15 (2) **No more than 60 days after receiving a property tax statement from any taxing au-  
16 thority, to publicly disclose the statement; and**

17 (3) **To submit to a financial audit conducted by the Secretary of State under section 4  
18 of this 2017 Act.**

19 **SECTION 4. The Secretary of State may audit the accounts and financial affairs of a  
20 private entity as the Secretary of State considers advisable or necessary, if the private entity  
21 has consented to such audits by contract or otherwise.**

22 **SECTION 5. Section 3 of this 2017 Act and the amendments to ORS 414.652 by section 1  
23 of this 2017 Act apply to contracts executed or renewed on or after the effective date of this  
24 2017 Act.**