

**PROPOSED AMENDMENTS TO
SENATE BILL 833**

1 Delete lines 5 through 23 of the printed bill and insert:

2 **“SECTION 1.** ORS 414.652 is amended to read:

3 “414.652. (1) A contract entered into between the Oregon Health Author-
4 ity and a coordinated care organization under ORS 414.625 (1):

5 “(a) Shall be for a term of five years;

6 “(b) [*Except as provided in subsection (3) of this section,*] May not be
7 amended more than once in each 12-month period **unless**[:; *and*]

8 **“(A) The authority and the coordinated care organization mutually**
9 **agree to amend the contract; or**

10 **“(B) Amendments are necessitated by changes in federal or state**
11 **law;**

12 “(c) May be terminated if a coordinated care organization fails to meet
13 outcome and quality measures specified in the contract or is otherwise in
14 breach of the contract[.], **following notice to the coordinated care or-**
15 **ganization of the failure or breach and allowing the coordinated care**
16 **organization a reasonable period of time in which to cure the failure**
17 **or breach;**

18 **“(d) Shall contain assurances that the authority will provide notice**
19 **to coordinated care organizations when the authority discovers tech-**
20 **nical problems with the authority’s electronic system for providing or**
21 **receiving data and other information and will address such technical**
22 **issues in a timely manner; and**

1 “(e) Shall provide that:

2 “(A) The coordinated care organization is not responsible for the
3 costs of health services provided to a member of the coordinated care
4 organization before the date that the authority notifies the coordi-
5 nated care organization that the member has been enrolled in the co-
6 ordinated care organization;

7 “(B) A member of the coordinated care organization remains en-
8 rolled in the coordinated care organization during the period when the
9 member’s eligibility for medical assistance is being renewed or rede-
10 termined until the earlier of the date of the member’s death or the
11 date that the authority notifies the coordinated care organization that
12 the member has been disenrolled from the coordinated care organiza-
13 tion;

14 “(C) The coordinated care organization is not subject to any penal-
15 ties for failing to meet requirements to provide data or other infor-
16 mation if technical problems with the authority’s electronic system for
17 providing data and other information interfere with the coordinated
18 care organization’s ability to comply with the requirements;

19 “(D) The authority shall provide quarterly progress reports to the
20 coordinated care organization on the coordinated care organization’s
21 performance on outcome and quality measures;

22 “(E) If the authority fails to remit a payment to the coordinated
23 care organization by the date specified in the contract, the authority
24 shall pay interest on the payment that accrues in accordance with
25 ORS 82.020;

26 “(F) The authority shall calculate global payments and medical loss
27 ratios and other components of the global payments based upon
28 actuarially sound principles and employing methodologies shared with
29 the coordinated care organization and reviewed by a qualified private
30 firm that independently verifies that the methodologies are actuarially

1 sound based on recognized standards, including applicable standards
2 of practice adopted by the Actuarial Standards Board;

3 “(G) Any requirement for increased financial reserves proposed by
4 the authority must provide to the coordinated care organization a
5 reasonable length of time for accumulating the increased financial
6 reserves, taking into account the amount of the increase and the ex-
7 tent to which the global payment is calculated to allow for the accu-
8 mulation of additional reserves; and

9 “(H) The authority will give a coordinated care organization at least
10 60 days’ advance notice of any amendments the authority proposes to
11 existing contracts, or to contracts renewed, between the authority and
12 the coordinated care organization other than amendments by mutual
13 agreement. The notice shall include a description of the change in
14 federal or state law necessitating the amendment.

15 “(2)(a) The Oregon Health Authority shall contract with a qualified
16 private firm to provide the review described in subsection (1)(e)(F) of
17 this section no later than April 1, and the firm must complete the re-
18 view no later than June 1, of the year prior to the year in which a
19 contract goes into effect.

20 “(b) Coordinated care organizations must be provided the opportu-
21 nity to offer information and input to the firm.

22 “[2) This section does not prohibit the authority from allowing a coordi-
23 nated care organization a reasonable amount of time in which to cure any
24 failure to meet outcome and quality measures specified in the contract prior to
25 the termination of the contract.]

26 “[3) A contract entered into between the authority and a coordinated care
27 organization may be amended more than once in each 12-month period if:]

28 “[a) The authority and the coordinated care organization mutually agree
29 to amend the contract; or]

30 “[b) Amendments are necessitated by changes in federal or state law.]”.

