

C-Engrossed
House Bill 4107

Ordered by the Senate February 29
Including House Amendments dated February 11 and Senate Amendments
dated February 24 and February 29

Sponsored by Representatives DAVIS, HACK; Representatives BARRETO, KENY-GUYER, WITT, Senator MONNES
ANDERSON (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.

Prohibits Oregon Health Authority from retroactively changing terms of contract with coordinated care organization unless specified conditions are met.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to coordinated care organization contracts; creating new provisions; amending ORS 414.652;
3 and declaring an emergency.

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

5 **SECTION 1.** ORS 414.652 is amended to read:

6 414.652. (1) A contract entered into between the Oregon Health Authority and a coordinated
7 care organization under ORS 414.625 (1):

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

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

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

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

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

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

19 or

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

21 (4) The authority must give a coordinated care organization at least 60 days' advance notice of
22 any amendments the authority proposes to existing contracts[,] **between the authority and the**
23 **coordinated care organization**, or to contracts to be renewed, [*between the authority and the co-*
24 *ordinated care organization.*] **including the global budget paid to the coordinated care organ-**
25 **ization under the contract.**

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

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

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

7 **SECTION 2.** **The amendments to ORS 414.652 by section 1 of this 2016 Act:**

8 **(1) Apply to the terms of a contract between the Oregon Health Authority and a coordi-**
9 **nated care organization entered into or amended and restated on or after January 1, 2016.**

10 **(2) Do not apply to an amendment to a contract, signed before, on or after January 1,**
11 **2016, that results in a claim by the authority for the recovery of amounts paid by the au-**
12 **thority to the coordinated care organization for services provided by the coordinated care**
13 **organization prior to January 1, 2016.**

14 **SECTION 3.** **This 2016 Act being necessary for the immediate preservation of the public**
15 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**
16 **on its passage.**

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