

**A-Engrossed**  
**Senate Bill 833**

Ordered by the House June 9  
Including House Amendments dated June 9

Sponsored by Senator BATES

**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.

Requires Oregon Health Authority to give coordinated care organization at least [30] **60** days' advance notice of proposed amendments to contracts **and payment rates**.  
Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to coordinated care organization contracts; amending ORS 414.652; and declaring an  
3 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*] **Subsection (1) of this section** does not prohibit the authority from allowing  
14 a coordinated care organization a reasonable amount of time in which to cure any failure to meet  
15 outcome and quality measures 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 **(3) The authority shall submit to the appropriate federal agency for review, if federal**  
19 **approval is required:**

20 (a) **The proposed terms of a contract or proposed amendments to a term of an existing**  
21 **contract with a coordinated care organization not less than 135 days prior to the expiration**  
22 **of the existing contract or term in the contract with the coordinated care organization.**

23 (b) **The proposed payment rates for a coordinated care organization not less than 90 days**  
24 **prior to the effective date of the proposed rates.**

25 (4) **The authority shall allow a coordinated care organization a period of at least 60 days**  
26 **in which to review changes resulting from a federal review to proposed contract terms or**  
27 **to proposed payment rates before agreeing to the changes. If the coordinated care organ-**  
28 **ization is provided less than 60 days to review the changes, the existing terms of the contract**

**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 **and rates remain in effect until the authority provides the required period for review.**

2 **(5) Subsections (1)(b) and (4) of this section do not apply if:**

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

4 [*or*]

5 (b) Amendments are necessitated by changes in federal or state law; **or**

6 (c) **With respect to changes in contract terms or payment rates, the authority has**  
7 **complied with subsection (3) of this section but has not received necessary federal approval.**

8 **SECTION 2. This 2015 Act being necessary for the immediate preservation of the public**  
9 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
10 **on its passage.**

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