

DRAFT

SUMMARY

Prohibits Oregon Health Authority from retroactively changing terms of contract with coordinated care organization unless specified conditions are met.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to coordinated care organization contracts; creating new provisions; amending ORS 414.652; and prescribing an effective date.

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

SECTION 1. ORS 414.652 is amended to read:

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

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

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

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

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

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

(a) The authority and the coordinated care organization mutually agree

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 to amend the contract; or

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

3 (4) The authority must give a coordinated care organization at least 60
4 days' advance notice of any amendments the authority proposes to existing
5 contracts[,] **between the authority and the coordinated care organiza-**
6 **tion**, or to contracts to be renewed, [*between the authority and the coordi-*
7 *nated care organization.*] **including the global budget paid to the**
8 **coordinated care organization under the contract.**

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

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

13 (b) The Centers for Medicare and Medicaid Services assesses an
14 overpayment and makes a written demand for repayment.

15 **SECTION 2. The amendments to ORS 414.652 by section 1 of this**
16 **2016 Act apply to a contract between the Oregon Health Authority and**
17 **a coordinated care organization that is in effect on or after the effec-**
18 **tive date of this 2016 Act.**

19 **SECTION 3. This 2016 Act takes effect on the 91st day after the date**
20 **on which the 2016 regular session of the Seventy-eighth Legislative**
21 **Assembly adjourns sine die.**