

Senate Bill 440

Sponsored by Senator STEINER HAYWARD (Presession 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 Oregon Health Policy Board to establish Health Plan Quality Metrics Committee to develop health outcome and quality measures for coordinated care organizations and plans offered by Public Employees' Benefit Board and Oregon Educators Benefit Board.

Eliminates metrics and scoring committee.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to measuring the quality of health care; creating new provisions; amending ORS 243.135,
3 243.866, 413.017, 413.181, 414.025, 414.625, 414.679 and 414.685 and section 14, chapter 602,
4 Oregon Laws 2011; repealing ORS 414.638; and declaring an emergency.

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

6 **SECTION 1.** ORS 413.017 is amended to read:

7 413.017. (1) The Oregon Health Policy Board shall establish the committees described in sub-
8 sections (2) [*and (3)*] **to (4)** of this section.

9 (2)(a) The Public Health Benefit Purchasers Committee shall include individuals who purchase
10 health care for the following:

11 (A) The Public Employees' Benefit Board.

12 (B) The Oregon Educators Benefit Board.

13 (C) Trustees of the Public Employees Retirement System.

14 (D) A city government.

15 (E) A county government.

16 (F) A special district.

17 (G) Any private nonprofit organization that receives the majority of its funding from the state
18 and requests to participate on the committee.

19 (b) The Public Health Benefit Purchasers Committee shall:

20 (A) Identify and make specific recommendations to achieve uniformity across all public health
21 benefit plan designs based on the best available clinical evidence, recognized best practices for
22 health promotion and disease management, demonstrated cost-effectiveness and shared demographics
23 among the enrollees within the pools covered by the benefit plans.

24 (B) Develop an action plan for ongoing collaboration to implement the benefit design alignment
25 described in subparagraph (A) of this paragraph and shall leverage purchasing to achieve benefit
26 uniformity if practicable.

27 (C) Continuously review and report to the Oregon Health Policy Board on the committee's
28 progress in aligning benefits while minimizing the cost shift to individual purchasers of insurance
29 without shifting costs to the private sector or the Oregon Health Insurance Exchange.

30 (c) The Oregon Health Policy Board shall work with the Public Health Benefit Purchasers

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 Committee to identify uniform provisions for state and local public contracts for health benefit plans
 2 that achieve maximum quality and cost outcomes. The board shall collaborate with the committee
 3 to develop steps to implement joint contract provisions. The committee shall identify a schedule for
 4 the implementation of contract changes. The process for implementation of joint contract provisions
 5 must include a review process to protect against unintended cost shifts to enrollees or agencies.

6 *[(d) Proposals and plans developed in accordance with this subsection shall be completed by Oc-*
 7 *ttober 1, 2010, and shall be submitted to the Oregon Health Policy Board for its approval and possible*
 8 *referral to the Legislative Assembly no later than December 31, 2010.]*

9 (3)(a) The Health Care Workforce Committee shall include individuals who have the collective
 10 expertise, knowledge and experience in a broad range of health professions, health care education
 11 and health care workforce development initiatives.

12 (b) The Health Care Workforce Committee shall coordinate efforts to recruit and educate health
 13 care professionals and retain a quality workforce to meet the demand that will be created by the
 14 expansion in health care coverage, system transformations and an increasingly diverse population.

15 (c) The Health Care Workforce Committee shall conduct an inventory of all grants and other
 16 state resources available for addressing the need to expand the health care workforce to meet the
 17 needs of Oregonians for health care.

18 **(4)(a) The Health Plan Quality Metrics Committee shall include:**

19 **(A) An individual appointed by the Oregon Health Authority;**

20 **(B) An individual appointed by the Oregon Educators Benefit Board;**

21 **(C) An individual appointed by the Public Employees' Benefit Board; and**

22 **(D) Individuals appointed by the Oregon Health Authority in collaboration with the**
 23 **Oregon Educators Benefit Board and the Public Employees' Benefit Board who:**

24 **(i) Have expertise in health care research;**

25 **(ii) Have expertise in health care quality measures;**

26 **(iii) Represent insurers;**

27 **(iv) Represent consumers of health care; and**

28 **(v) Represent of self-insured large employers.**

29 **(b) The committee shall publish recommendations for appropriate health outcome and**
 30 **quality measures to be used by the authority and the boards. In developing the measures,**
 31 **the work group shall consider other state and national health outcome and quality measures**
 32 **and methodologies.**

33 **(c) To the extent practicable, the committee shall recommend measures that further the**
 34 **goals of the Oregon Integrated and Coordinated Health Care Delivery System while recog-**
 35 **nizing the unique needs and goals of the authority and the boards.**

36 **(d) The committee shall utilize available health outcome and quality measures and the**
 37 **data systems for reporting the measures and minimize redundant reporting or the reporting**
 38 **of data with limited value.**

39 **(e) The committee shall develop a common format for collecting consumer responses to**
 40 **the health outcome and quality measures and encourage the authority and the boards to**
 41 **publicly report the findings.**

42 *[(4)]* **(5) Members of the committees described in subsections (2) [and (3)] to (4) of this section**
 43 **who are not members of the Oregon Health Policy Board are not entitled to compensation but shall**
 44 **be reimbursed from funds available to the board for actual and necessary travel and other expenses**
 45 **incurred by them by their attendance at committee meetings, in the manner and amount provided**

1 in ORS 292.495.

2 **SECTION 2.** ORS 243.135 is amended to read:

3 243.135. (1) Notwithstanding any other benefit plan contracted for and offered by the Public
 4 Employees' Benefit Board, the board shall contract for a health benefit plan or plans best designed
 5 to meet the needs and provide for the welfare of eligible employees, the state and the local gov-
 6 ernments. In considering whether to enter into a contract for a plan, the board shall place emphasis
 7 on:

- 8 (a) Employee choice among high quality plans;
- 9 (b) A competitive marketplace;
- 10 (c) Plan performance and information;
- 11 (d) Employer flexibility in plan design and contracting;
- 12 (e) Quality customer service;
- 13 (f) Creativity and innovation;
- 14 (g) Plan benefits as part of total employee compensation; *[and]*
- 15 (h) The improvement of employee health; **and**
- 16 (i) **Health outcome and quality measures reported by the plan in accordance with ORS**
 17 **413.017.**

18 (2) The board may approve more than one carrier for each type of plan contracted for and of-
 19 fered but the number of carriers shall be held to a number consistent with adequate service to eli-
 20 gible employees and their family members.

21 (3) Where appropriate for a contracted and offered health benefit plan, the board shall provide
 22 options under which an eligible employee may arrange coverage for family members.

23 (4) Payroll deductions for costs that are not payable by the state or a local government may be
 24 made upon receipt of a signed authorization from the employee indicating an election to participate
 25 in the plan or plans selected and the deduction of a certain sum from the employee's pay.

26 (5) In developing any health benefit plan, the board may provide an option of additional cover-
 27 age for eligible employees and their family members at an additional cost or premium.

28 (6) Transfer of enrollment from one plan to another shall be open to all eligible employees and
 29 their family members under rules adopted by the board. Because of the special problems that may
 30 arise in individual instances under comprehensive group practice plan coverage involving acceptable
 31 physician-patient relations between a particular panel of physicians and particular eligible employ-
 32 ees and their family members, the board shall provide a procedure under which any eligible em-
 33 ployee may apply at any time to substitute a health service benefit plan for participation in a
 34 comprehensive group practice benefit plan.

35 (7) The board shall evaluate a benefit plan that serves a limited geographic region of this state
 36 according to the criteria described in subsection (1) of this section.

37 **SECTION 3.** ORS 243.866 is amended to read:

38 243.866. (1) The Oregon Educators Benefit Board shall contract for benefit plans best designed
 39 to meet the needs and provide for the welfare of eligible employees, the districts and local govern-
 40 ments. In considering whether to enter into a contract for a benefit plan, the board shall place em-
 41 phasis on:

- 42 (a) Employee choice among high-quality plans;
- 43 (b) Encouragement of a competitive marketplace;
- 44 (c) Plan performance and information;
- 45 (d) District and local government flexibility in plan design and contracting;

- 1 (e) Quality customer service;
- 2 (f) Creativity and innovation;
- 3 (g) Plan benefits as part of total employee compensation; *[and]*
- 4 (h) Improvement of employee health; **and**
- 5 **(i) Health outcome and quality measures reported by the plan in accordance with ORS**
- 6 **413.017.**

7 (2) The board may approve more than one carrier for each type of benefit plan offered, but the
 8 board shall limit the number of carriers to a number consistent with adequate service to eligible
 9 employees and family members.

10 (3) When appropriate, the board shall provide options under which an eligible employee may
 11 arrange coverage for family members under a benefit plan.

12 (4) A district or a local government shall provide that payroll deductions for benefit plan costs
 13 that are not payable by the district or local government may be made upon receipt of a signed au-
 14 thorization from the employee indicating an election to participate in the benefit plan or plans se-
 15 lected and allowing the deduction of those costs from the employee’s pay.

16 (5) In developing any benefit plan, the board may provide an option of additional coverage for
 17 eligible employees and family members at an additional premium.

18 (6) The board shall adopt rules providing that transfer of enrollment from one benefit plan to
 19 another is open to all eligible employees and family members. Because of the special problems that
 20 may arise involving acceptable physician-patient relations between a particular panel of physicians
 21 and a particular eligible employee or family member under a comprehensive group practice benefit
 22 plan, the board shall provide a procedure under which any eligible employee may apply at any time
 23 to substitute another benefit plan for participation in a comprehensive group practice benefit plan.

24 (7) An eligible employee who is retired is not required to participate in a health benefit plan
 25 offered under this section in order to obtain dental benefit plan coverage. The board shall establish
 26 by rule standards of eligibility for retired employees to participate in a dental benefit plan.

27 (8) The board shall evaluate a benefit plan that serves a limited geographic region of this state
 28 according to the criteria described in subsection (1) of this section.

29 **SECTION 4.** ORS 413.181 is amended to read:

30 413.181. (1) The Department of Consumer and Business Services and the Oregon Health Au-
 31 thority may enter into agreements governing the disclosure of information reported to the depart-
 32 ment by insurers with certificates of authority to transact insurance in this state.

33 (2) The authority may use information disclosed under subsection (1) of this section for the
 34 purpose of carrying out ORS 414.625, 414.635, ~~414.638,~~ 414.645 and 414.651.

35 **SECTION 5.** ORS 414.025 is amended to read:

36 414.025. As used in this chapter and ORS chapters 411 and 413, unless the context or a specially
 37 applicable statutory definition requires otherwise:

38 (1)(a) “Alternative payment methodology” means a payment other than a fee-for-services pay-
 39 ment, used by coordinated care organizations as compensation for the provision of integrated and
 40 coordinated health care and services.

41 (b) “Alternative payment methodology” includes, but is not limited to:

- 42 (A) Shared savings arrangements;
- 43 (B) Bundled payments; and
- 44 (C) Payments based on episodes.

45 (2) “Category of aid” means assistance provided by the Oregon Supplemental Income Program,

1 aid granted under ORS 412.001 to 412.069 and 418.647 or federal Supplemental Security Income
2 payments.

3 (3) "Community health worker" means an individual who:

4 (a) Has expertise or experience in public health;

5 (b) Works in an urban or rural community, either for pay or as a volunteer in association with
6 a local health care system;

7 (c) To the extent practicable, shares ethnicity, language, socioeconomic status and life experi-
8 ences with the residents of the community where the worker serves;

9 (d) Assists members of the community to improve their health and increases the capacity of the
10 community to meet the health care needs of its residents and achieve wellness;

11 (e) Provides health education and information that is culturally appropriate to the individuals
12 being served;

13 (f) Assists community residents in receiving the care they need;

14 (g) May give peer counseling and guidance on health behaviors; and

15 (h) May provide direct services such as first aid or blood pressure screening.

16 (4) "Coordinated care organization" means an organization meeting criteria adopted by the
17 Oregon Health Authority under ORS 414.625.

18 (5) "Dually eligible for Medicare and Medicaid" means, with respect to eligibility for enrollment
19 in a coordinated care organization, that an individual is eligible for health services funded by Title
20 XIX of the Social Security Act and is:

21 (a) Eligible for or enrolled in Part A of Title XVIII of the Social Security Act; or

22 (b) Enrolled in Part B of Title XVIII of the Social Security Act.

23 (6) "Global budget" means a total amount established prospectively by the Oregon Health Au-
24 thority to be paid to a coordinated care organization for the delivery of, management of, access to
25 and quality of the health care delivered to members of the coordinated care organization.

26 (7) "Health services" means at least so much of each of the following as are funded by the
27 Legislative Assembly based upon the prioritized list of health services compiled by the Health Evi-
28 dence Review Commission under ORS 414.690:

29 (a) Services required by federal law to be included in the state's medical assistance program in
30 order for the program to qualify for federal funds;

31 (b) Services provided by a physician as defined in ORS 677.010, a nurse practitioner certified
32 under ORS 678.375 or other licensed practitioner within the scope of the practitioner's practice as
33 defined by state law, and ambulance services;

34 (c) Prescription drugs;

35 (d) Laboratory and X-ray services;

36 (e) Medical equipment and supplies;

37 (f) Mental health services;

38 (g) Chemical dependency services;

39 (h) Emergency dental services;

40 (i) Nonemergency dental services;

41 (j) Provider services, other than services described in paragraphs (a) to (i), (k), (L) and (m) of
42 this subsection, defined by federal law that may be included in the state's medical assistance pro-
43 gram;

44 (k) Emergency hospital services;

45 (L) Outpatient hospital services; and

1 (m) Inpatient hospital services.

2 (8) “Income” has the meaning given that term in ORS 411.704.

3 (9) “Investments and savings” means cash, securities as defined in ORS 59.015, negotiable in-
 4 struments as defined in ORS 73.0104 and such similar investments or savings as the department or
 5 the authority may establish by rule that are available to the applicant or recipient to contribute
 6 toward meeting the needs of the applicant or recipient.

7 (10) “Medical assistance” means so much of the medical, mental health, preventive, supportive,
 8 palliative and remedial care and services as may be prescribed by the authority according to the
 9 standards established pursuant to ORS 414.065, including premium assistance and payments made for
 10 services provided under an insurance or other contractual arrangement and money paid directly to
 11 the recipient for the purchase of health services and for services described in ORS 414.710.

12 (11) “Medical assistance” includes any care or services for any individual who is a patient in
 13 a medical institution or any care or services for any individual who has attained 65 years of age
 14 or is under 22 years of age, and who is a patient in a private or public institution for mental dis-
 15 eases. “Medical assistance” does not include care or services for an inmate in a nonmedical public
 16 institution.

17 (12) “Patient centered primary care home” means a health care team or clinic that is organized
 18 in accordance with the standards established by the Oregon Health Authority under ORS 414.655
 19 and that incorporates the following core attributes:

- 20 (a) Access to care;
- 21 (b) Accountability to consumers and to the community;
- 22 (c) Comprehensive whole person care;
- 23 (d) Continuity of care;
- 24 (e) Coordination and integration of care; and
- 25 (f) Person and family centered care.

26 (13) “Peer wellness specialist” means an individual who is responsible for assessing mental
 27 health service and support needs of the individual’s peers through community outreach, assisting
 28 individuals with access to available services and resources, addressing barriers to services and
 29 providing education and information about available resources and mental health issues in order to
 30 reduce stigmas and discrimination toward consumers of mental health services and to provide direct
 31 services to assist individuals in creating and maintaining recovery, health and wellness.

32 (14) “Person centered care” means care that:

- 33 (a) Reflects the individual patient’s strengths and preferences;
- 34 (b) Reflects the clinical needs of the patient as identified through an individualized assessment;
- 35 and
- 36 (c) Is based upon the patient’s goals and will assist the patient in achieving the goals.

37 (15) “Personal health navigator” means an individual who provides information, assistance, tools
 38 and support to enable a patient to make the best health care decisions in the patient’s particular
 39 circumstances and in light of the patient’s needs, lifestyle, combination of conditions and desired
 40 outcomes.

41 (16) “Quality measure” means the **health outcome and quality** measures [*and benchmarks*
 42 *identified*] **recommended** by the [*authority in accordance with ORS 414.638*] **Health Plan Quality**
 43 **Metrics Committee**.

44 (17) “Resources” has the meaning given that term in ORS 411.704. For eligibility purposes, “re-
 45 sources” does not include charitable contributions raised by a community to assist with medical

1 expenses.

2 **SECTION 6.** ORS 414.625 is amended to read:

3 414.625. (1) The Oregon Health Authority shall adopt by rule the qualification criteria and re-
4 quirements for a coordinated care organization and shall integrate the criteria and requirements
5 into each contract with a coordinated care organization. Coordinated care organizations may be
6 local, community-based organizations or statewide organizations with community-based participation
7 in governance or any combination of the two. Coordinated care organizations may contract with
8 counties or with other public or private entities to provide services to members. The authority may
9 not contract with only one statewide organization. A coordinated care organization may be a single
10 corporate structure or a network of providers organized through contractual relationships. The cri-
11 teria adopted by the authority under this section must include, but are not limited to, the coordi-
12 nated care organization's demonstrated experience and capacity for:

13 (a) Managing financial risk and establishing financial reserves.

14 (b) Meeting the following minimum financial requirements:

15 (A) Maintaining restricted reserves of \$250,000 plus an amount equal to 50 percent of the coor-
16 dinated care organization's total actual or projected liabilities above \$250,000.

17 (B) Maintaining a net worth in an amount equal to at least five percent of the average combined
18 revenue in the prior two quarters of the participating health care entities.

19 (c) Operating within a fixed global budget.

20 (d) Developing and implementing alternative payment methodologies that are based on health
21 care quality and improved health outcomes.

22 (e) Coordinating the delivery of physical health care, mental health and chemical dependency
23 services, oral health care and covered long-term care services.

24 (f) Engaging community members and health care providers in improving the health of the
25 community and addressing regional, cultural, socioeconomic and racial disparities in health care
26 that exist among the coordinated care organization's members and in the coordinated care
27 organization's community.

28 (2) In addition to the criteria specified in subsection (1) of this section, the authority must adopt
29 by rule requirements for coordinated care organizations contracting with the authority so that:

30 (a) Each member of the coordinated care organization receives integrated person centered care
31 and services designed to provide choice, independence and dignity.

32 (b) Each member has a consistent and stable relationship with a care team that is responsible
33 for comprehensive care management and service delivery.

34 (c) The supportive and therapeutic needs of each member are addressed in a holistic fashion,
35 using patient centered primary care homes or other models that support patient centered primary
36 care and individualized care plans to the extent feasible.

37 (d) Members receive comprehensive transitional care, including appropriate follow-up, when en-
38 tering and leaving an acute care facility or a long term care setting.

39 (e) Members receive assistance in navigating the health care delivery system and in accessing
40 community and social support services and statewide resources, including through the use of certi-
41 fied health care interpreters, as defined in ORS 413.550, community health workers and personal
42 health navigators who meet competency standards established by the authority under ORS 414.665
43 or who are certified by the Home Care Commission under ORS 410.604.

44 (f) Services and supports are geographically located as close to where members reside as possi-
45 ble and are, if available, offered in nontraditional settings that are accessible to families, diverse

1 communities and underserved populations.

2 (g) Each coordinated care organization uses health information technology to link services and
3 care providers across the continuum of care to the greatest extent practicable and if financially vi-
4 able.

5 (h) Each coordinated care organization complies with the safeguards for members described in
6 ORS 414.635.

7 (i) Each coordinated care organization convenes a community advisory council that meets the
8 criteria specified in ORS 414.627.

9 (j) Each coordinated care organization prioritizes working with members who have high health
10 care needs, multiple chronic conditions, mental illness or chemical dependency and involves those
11 members in accessing and managing appropriate preventive, health, remedial and supportive care
12 and services to reduce the use of avoidable emergency room visits and hospital admissions.

13 (k) Members have a choice of providers within the coordinated care organization's network and
14 that providers participating in a coordinated care organization:

15 (A) Work together to develop best practices for care and service delivery to reduce waste and
16 improve the health and well-being of members.

17 (B) Are educated about the integrated approach and how to access and communicate within the
18 integrated system about a patient's treatment plan and health history.

19 (C) Emphasize prevention, healthy lifestyle choices, evidence-based practices, shared decision-
20 making and communication.

21 (D) Are permitted to participate in the networks of multiple coordinated care organizations.

22 (E) Include providers of specialty care.

23 (F) Are selected by coordinated care organizations using universal application and credentialing
24 procedures[,] **and** objective quality information and are removed if the providers fail to meet objec-
25 tive quality standards.

26 (G) Work together to develop best practices for culturally appropriate care and service delivery
27 to reduce waste, reduce health disparities and improve the health and well-being of members.

28 (L) Each coordinated care organization reports on [*outcome and*] quality measures [*adopted un-*
29 *der ORS 414.638*] **recommended by the Health Plan Quality Metrics Committee** and participates
30 in the health care data reporting system established in ORS 442.464 and 442.466.

31 (m) Each coordinated care organization uses best practices in the management of finances,
32 contracts, claims processing, payment functions and provider networks.

33 (n) Each coordinated care organization participates in the learning collaborative described in
34 ORS 442.210 (3).

35 (o) Each coordinated care organization has a governing body that includes:

36 (A) Persons that share in the financial risk of the organization who must constitute a majority
37 of the governing body;

38 (B) The major components of the health care delivery system;

39 (C) At least two health care providers in active practice, including:

40 (i) A physician licensed under ORS chapter 677 or a nurse practitioner certified under ORS
41 678.375, whose area of practice is primary care; and

42 (ii) A mental health or chemical dependency treatment provider;

43 (D) At least two members from the community at large, to ensure that the organization's
44 decision-making is consistent with the values of the members and the community; and

45 (E) At least one member of the community advisory council.

1 (p) Each coordinated care organization's governing body establishes standards for publicizing
2 the activities of the coordinated care organization and the organization's community advisory
3 councils, as necessary, to keep the community informed.

4 (3) The authority shall consider the participation of area agencies and other nonprofit agencies
5 in the configuration of coordinated care organizations.

6 (4) In selecting one or more coordinated care organizations to serve a geographic area, the au-
7 thority shall:

8 (a) For members and potential members, optimize access to care and choice of providers;

9 (b) For providers, optimize choice in contracting with coordinated care organizations; and

10 (c) Allow more than one coordinated care organization to serve the geographic area if necessary
11 to optimize access and choice under this subsection.

12 (5) On or before July 1, 2014, each coordinated care organization must have a formal contractual
13 relationship with any dental care organization that serves members of the coordinated care organ-
14 ization in the area where they reside.

15 **SECTION 7.** ORS 414.679 is amended to read:

16 414.679. (1) The Oregon Health Authority shall ensure the appropriate use of member informa-
17 tion by coordinated care organizations, including the use of electronic health information and ad-
18 ministrative data that is available when and where the data is needed to improve health and health
19 care through a secure, confidential health information exchange.

20 (2) A member of a coordinated care organization must have access to the member's personal
21 health information in the manner provided in 45 C.F.R. 164.524 so the member can share the infor-
22 mation with others involved in the member's care and make better health care and lifestyle choices.

23 (3) Notwithstanding ORS 179.505, a coordinated care organization, its provider network and
24 programs administered by the Department of Human Services for seniors and persons with disabili-
25 ties shall use and disclose member information for purposes of service and care delivery, coordi-
26 nation, service planning, transitional services and reimbursement, in order to improve the safety and
27 quality of care, lower the cost of care and improve the health and well-being of the organization's
28 members.

29 (4) A coordinated care organization and its provider network shall use and disclose sensitive
30 diagnosis information including HIV and other health and mental health diagnoses, within the co-
31 ordinated care organization for the purpose of providing whole-person care. Individually identifiable
32 health information must be treated as confidential and privileged information subject to ORS 192.553
33 to 192.581 and applicable federal privacy requirements. Redisclosure of individually identifiable in-
34 formation outside of the coordinated care organization and the organization's providers for purposes
35 unrelated to this section or the requirements of ORS 414.625, 414.632, 414.635, [414.638,] 414.653 or
36 414.655 remains subject to any applicable federal or state privacy requirements.

37 (5) This section does not prohibit the disclosure of information between a coordinated care or-
38 ganization and the organization's provider network, and the Oregon Health Authority and the De-
39 partment of Human Services for the purpose of administering the laws of Oregon.

40 (6) The Health Information Technology Oversight Council shall develop readily available infor-
41 mational materials that can be used by coordinated care organizations and providers to inform all
42 participants in the health care workforce about the appropriate uses and limitations on disclosure
43 of electronic health records, including need-based access and privacy mandates.

44 **SECTION 8.** ORS 414.685 is amended to read:

45 414.685. (1) The Oregon Health Authority and the Department of Human Services shall cooper-

1 ate with each other by coordinating actions and responsibilities necessary to implement the Oregon
2 Integrated and Coordinated Health Care Delivery System established in ORS 414.620.

3 (2) The authority and the department may delegate to each other any duties, functions or powers
4 that the authority or department are authorized to perform if necessary to carry out ORS 414.625,
5 414.632, 414.635, [414.638,] 414.653, 414.655, 414.665, 414.679 and 414.685 and sections 13, 14 and 17,
6 chapter 602, Oregon Laws 2011.

7 **SECTION 9.** Section 14, chapter 602, Oregon Laws 2011, as amended by section 2, chapter 8,
8 Oregon Laws 2012, is amended to read:

9 **Sec. 14.** (1) Notwithstanding ORS 414.631 and 414.651, in any area of the state where a coordi-
10 nated care organization has not been certified, the Oregon Health Authority shall continue to con-
11 tract with one or more prepaid managed care health services organizations, as defined in ORS
12 414.736, that serve the area and that are in compliance with contractual obligations owed to the
13 state or local government.

14 (2) Prepaid managed care health services organizations contracting with the authority under
15 this section are subject to the applicable requirements for, and are permitted to exercise the rights
16 of, coordinated care organizations under ORS 414.153, 414.625, 414.635, [414.638,] 414.651, 414.655,
17 414.679, 414.712, 414.728, 414.743, 414.746, 414.760, 416.510 to 416.610, 441.094, 442.464, 655.515,
18 659.830 and 743.847.

19 (3) The authority may amend contracts that are in place on July 1, 2011, to allow prepaid
20 managed care health services organizations that meet the criteria adopted by the authority under
21 ORS 414.625 to become coordinated care organizations.

22 (4) The authority shall continue to renew the contracts of prepaid managed care health services
23 organizations that have a contract with the authority on July 1, 2011, until the earlier of the date
24 the prepaid managed care health services organization becomes a coordinated care organization or
25 July 1, 2014. Contracts with prepaid managed care health services organizations must terminate no
26 later than July 1, 2017.

27 (5) The authority shall continue to renew contracts or ensure that counties renew contracts
28 with providers of residential chemical dependency treatment until the provider enters into a con-
29 tract with a coordinated care organization but no later than July 1, 2013.

30 (6) Notwithstanding ORS 414.625 (2)(g) and 414.655 (2), the authority shall allow for a period of
31 transition to the full adoption of health information technology by coordinated care organizations
32 and patient centered primary care homes. The authority shall explore options for assisting providers
33 and coordinated care organizations in funding their use of health information technology.

34 **SECTION 10. ORS 414.638 is repealed.**

35 **SECTION 11. Subject to any prior approval that may be required by the Centers for**
36 **Medicare and Medicaid Services, the Oregon Health Authority, the Oregon Educators Benefit**
37 **Board and the Public Employees' Benefit Board shall implement the health outcome and**
38 **quality measures described in ORS 413.017 (4) on and after January 1, 2016.**

39 **SECTION 12. The amendments to ORS 243.135, 243.866, 413.181, 414.025, 414.625, 414.679**
40 **and 414.685 and section 14, chapter 602, Oregon Laws 2011, by sections 2 to 9 of this 2015 Act**
41 **and the repeal of ORS 414.638 by section 10 of this 2015 Act become operative January 1, 2016.**

42 **SECTION 13. This 2015 Act being necessary for the immediate preservation of the public**
43 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
44 **on its passage.**