

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form.

Oregon Health Authority, Division of Medical Assistance Programs (Division)	410	
Agency and Division	Administrative Rules Chapter Number	
Sandy Cafourek	500 Summer St Ne, Salem, OR 97301	503-945-6430
Rules Coordinator	Address	Telephone

RULE CAPTION

General Financial Reporting and Financial Solvency Matters; CCO Reporting Method

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

January 20, 2016	10:30 AM	500 Summer St NE, Salem, OR 97301, Room 160	Sandy Cafourek
Hearing Date	Time	Location	Hearings Officer

Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.
ADOPT:

AMEND: OAR 410-141-3345

REPEAL: OAR 410-141-3345(T)

RENUMBER:

AMEND & RENUMBER:

Stat. Auth: ORS 413.042, 414.615, 414.625, 414.635, 414.651

Other Auth.:

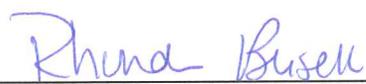
Stats. Implemented: ORS 414.610-414.685

RULE SUMMARY

This rule requires CCOs to demonstrate they are able to provide coordinated care service efficiently, effectively, and economically. This rule also provides CCOs with the parameters for three alternative methods for a CCO's solvency plan and reporting requirements, depending on the status of the CCO, as described in rule.

January 22, 2016 by 5 p.m. Send comments to: dmap.rules@state.or.us

Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator) 12/17/15

		12-21-15
Signature	Printed name	Date

*Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Health Authority, Division of Medical Assistant Programs (Division)

410

Agency and Division

Administrative Rules Chapter Number

General Financial Reporting and Financial Solvency Matters; CCO Reporting Method

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: The amendment of OAR 410-141-3345 and the repeal of 410-141-3345(T)

Statutory Authority: ORS 413.042, 414.615, 414.625, 414.635, 414.651

Other Authority:

Stats. Implemented: ORS 414.610-414.685

Need for the rule(s): The Division needs to amend OAR 410-141-3345 to change the financial reporting requirements that DCBS filers need to complete and submit to OHA. Such plans will submit financial reports to both DCBS and OHA. The NAIC financial reporting format that DCBS uses is not comparable to the report formats that OHA uses. NAIC is designed around insurers and insurance risk, which is a very different report format, making it difficult if not impossible to compare results. With the integration of the Rate Setting data reports into the CCO, Exhibit L, and the corresponding reconciliations built into the expanded report structure, all CCOs will need to complete the same set of financial reports in order to get comparable results. The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

Documents Relied Upon, and where they are available: A written draft of rule language changes provided by the OHA Finance Director and a written explanation of the need for changes, email dated Wednesday, June 24, 2015, 12:19 PM – housed in OHA electronic files and paper files.

Fiscal and Economic Impact: The Division does not anticipate fiscal impact on other state agencies, units of local government or the public.

Statement of Cost of Compliance: None anticipated

1. Impact on state agencies, units of local government and the public (ORS 183.335(2) (b)(E)): None anticipated
2. Cost of compliance effect on small business (ORS 183.336):
 - a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule: None anticipated
 - b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: None anticipated
 - c. Equipment, supplies, labor and increased administration required for compliance: Amending these rules will not add additional reporting, record keeping, or other administrative activities.

How were small businesses involved in the development of this rule? Small businesses were invited to participate in the RAC.

Administrative Rule Advisory Committee consulted?: Yes, RAC - 09/22/15 If not, why?:


Signature


Printed name

12-21-15
Date

410-141-3345

General Financial Reporting and Financial Solvency Matters; CCO Reporting Method

(1) Each CCO must demonstrate that it is able to provide coordinated care services efficiently, effectively, and economically. CCOs shall maintain sound financial management procedures, maintain protections against insolvency, and generate periodic financial reports as provided in these rules.

(2) The Authority shall collaborate with the Department of Consumer and Business Services (DCBS) to review CCO financial reports and evaluate financial solvency. ~~Except as provided in this section,~~ CCOs are not required to file financial reports with both OHA and DCBS except as provided in this section or as outlined in the CCO contract:

(a) Initial applicants for certification as a CCO ~~will shall~~ submit all required information to ~~OHA the Authority~~ as part of the application process, and ~~OHA the Authority will shall~~ transmit that information to DCBS for its review. In making its determination about the qualifications of the applicant, ~~the Authority OHA will shall~~ consult with DCBS about the financial materials and reports submitted with the application;

(b) For purposes of these financial reporting and solvency rules, DCBS is authorized to make recommendations to ~~OHA the Authority~~ and to act in conjunction with ~~OHA the Authority~~ in accordance with these rules. If quarterly reports or other evidence suggest that a CCO's financial solvency is in jeopardy, ~~OHA will the Authority shall~~ act as necessary to protect the public interest.

(3) ~~OHA The Authority~~ may address any proper inquiries to any CCO or its officers in relation to the activities or condition of the CCO or any other matter connected with its transactions. The person shall promptly and truthfully reply to the inquiries using the form of communication requested by ~~OHA the Authority~~. The reply shall be timely, accurate, and complete and, if ~~OHA the Authority~~ requires, verified by an officer of the CCO. A reply is subject to the provisions of ORS 731.260.

(4) OAR 410-141-3345 through 410-141-3395 provide for three alternative methods for a CCO's solvency plan and financial reporting requirements, depending on the status of the CCO as described in this rule:

(a) ~~OHA The Authority~~ reporting CCO: The CCO complies with restricted reserve and net worth requirements ~~OHA the Authority~~ used to regulate financial solvency of MCOs on July 1, 2012, submitting financial information and reports to ~~OHA the Authority~~ as detailed in the CCO contract. Under this approach, ~~OHA the Authority will shall~~ monitor the CCO's financial solvency utilizing the same reporting format and financial standards that ~~OHA the Authority~~ used for MCOs on July 1, 2012;

(b) DCBS reporting CCO: The CCO complies with financial requirements as detailed in the CCO contract and in OAR 410-141-3345 through 410-141-3395, including risk-based capital and NAIC reporting requirements. These requirements ~~will~~shall be monitored by DCBS;

(c) Certificate of Authority: The CCO has a certificate of authority and complies with financial reporting and solvency requirements applicable to licensed health entities pursuant to applicable DCBS requirements under the Oregon insurance code and DCBS rules. In addition, the CCO shall report to ~~OHA~~the Authority the schedules outlined in the CCO contract.

(5) CCO Status. The method described in this rule that applies to a CCO is determined as follows:

(a) If the CCO is a licensed health entity, the CCO shall use the method described in this rule for certificate of authority. The CCO shall submit a copy of its certificate of authority to ~~OHA~~the Authority, not later than the readiness review document submission date under the initial CCO contract, and annually thereafter, not later than August 31st. The CCO shall report to OHAthe Authority immediately at any time that this certificate of authority is suspended or terminated;

(b) If the CCO is neither a converting MCO nor a licensed health entity, the CCO shall use the method described in this rule for DCBS reporting CCO;

(c) If the CCO is a converting MCO and is not a licensed health entity, the CCO shall elect either the method described in this rule for ~~OHA~~the Authority reporting CCO or the method described in this rule for DCBS reporting CCO. The CCO shall notify ~~OHA~~the Authority of its election no later than the readiness review document submission date under the initial CCO contract. The CCO shall comply with the requirements applicable to its elected method until it notifies ~~OHA~~the Authority of its intent to change its election. If the CCO expects to change its election, any elements of the solvency plan, or solvency protection arrangements, the CCO shall provide written advance notice to ~~OHA~~the Authority, at least 90-calendar days before the proposed effective date of change. Such changes are subject to written approval from ~~OHA~~the Authority.

(6) CCOs may be required to use specific required reporting forms or items in order to supply information related to financial responsibility, financial solvency, and financial management. The ~~OHA~~Authority or DCBS, as applicable, ~~will~~shall provide supplemental instructions about the use of these forms.

(7) The standards established in OAR 410-141-3350 through 410-141-3395 are intended to be consistent with, and may utilize procedures and standards common to insurers and to DCBS in its administration of financial reporting and solvency requirements. Any reference in these rules to the insurance code or to rules adopted by DCBS under the insurance code ~~shall~~may not be deemed to require a CCO to be an insurer, but is adopted and incorporated by reference as an ~~OHA~~the Authority standard.

Stat. Auth.: ORS 413.042, 414.615, 414.625, 414.635, 414.651
Stats. Implemented: ORS 414.610 – 414.685