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**PERMANENT ADMINISTRATIVE RULES**

Oregon Health Authority, Division of Medical Assistance Programs	410
Agency and Division	Administrative Rules Chapter Number
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**RULE CAPTION**

General Financial Reporting and Financial Solvency Matters; CCO Reporting Method  
Not more than 15 words

**RULEMAKING ACTION**

**ADOPT:**

AMEND: 410-141-3345

REPEAL: 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.

*Rhonda Busek*

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1-29-16

Authorized Signer

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## 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. 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 shall submit all required information to the Authority as part of the application process, and the Authority shall transmit that information to DCBS for its review. In making its determination about the qualifications of the applicant, the Authority 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 the Authority and to act in conjunction with the Authority in accordance with these rules. If quarterly reports or other evidence suggest that a CCO's financial solvency is in jeopardy, the Authority shall act as necessary to protect the public interest.
- (3) 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 the Authority. The reply shall be timely, accurate, and complete and, if 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) The Authority reporting CCO: The CCO complies with restricted reserve and net worth requirements the Authority used to regulate financial solvency of MCOs on July 1, 2012, submitting financial information and reports to the Authority as detailed in the CCO contract. Under this approach, the Authority shall monitor the CCO's financial solvency utilizing the same reporting format and financial standards that 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 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 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 the Authority, not later than the readiness review document submission date under the initial CCO contract, and annually thereafter, not later than August 31. The CCO shall report to the 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 the Authority reporting CCO or the method described in this rule for DCBS reporting CCO. The CCO shall notify 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 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 the Authority, at least 90-calendar days before the proposed effective date of change. Such changes are subject to written approval from 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 Authority or DCBS, as applicable, 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 may not be deemed to require a CCO to be an insurer but is adopted and incorporated by reference as the Authority standard.

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

Stats. Implemented: ORS 414.610 – 414.685