

SB 1041 (2019) Advisory Group—Charter

I. Authority

The SB 1041 Advisory Group is created by SB 1041 (2019). The legislation directs OHA to form an Advisory Group and charges the Group with making recommendations which will be reported to the Legislature by OHA before September 15, 2020. The Group is subject to the public meetings law.

The Group's purpose is to advise and inform a report regarding recommended standards for reconciling the differences between the financial reporting required by the National Association of Insurance Commissioners (NAIC) and the financial reporting that the authority needs to regulate coordinated care organizations (CCOs).

Each CCO shall identify one representative to participate in the group. OHA shall provide staffing, expertise and support to the Group as needed.

The group shall conclude its work before August 15, 2020, in preparation for a final report by September 15, 2020.

II. Deliverables

Major deliverables within the scope of the Group's work include:

- identifying all applicable financial reporting requirements, to include specific NAIC reporting formats and forms
- clearly identifying and defining all applicable NAIC reporting timelines and content
- identifying differences between applicable financial reporting requirements, e.g. Exhibit L and NAIC reporting requirements
- identifying redundant or duplicative financial reporting requirements
- identifying recommended standardized reporting requirements, forms and templates and accounting framework as well as related guidance which captures any financial reporting required and not included in NAIC reporting
- identifying recommended procedures for review and publication of financial reports
- recommending the types of financial reports that are comparable across CCOs that would be included in regular reporting to the legislature and the public
- informing and advising the report from OHA to the Legislature regarding the Group's recommendations

The report from OHA must include recommendations from the Group for reducing redundant or duplicative reporting requirements and standard templates for any reporting required by the authority of financial information that is in addition to the financial information reported

through the NAIC reporting process. In addition, this workgroup shall ensure the consistency of financial reporting across various CCO business models.

Other components of the authorizing legislation, SB 1041 (2019), are not within the Group's scope of work, but the group should consider how standardized reports, templates and forms should be formatted given they will be shared with the public, except in specific instances related to trade secrets and protected information, as directed by the legislation.

III. Dependencies

Identification of coming and currently applicable financial reports may be challenging given the timing of new contractual requirements and related updated policy guidance. The group should consider standards, templates and forms which reduce burden on CCO reporting and are flexible enough to accurately capture required reporting data.

The legislation's mandate to report all financial distributions by the CCO to shareholder(s), equity member(s), partner(s), companies or related parties to the legislature and public via a website should be considered during the Group's deliberations as needed.

The legislation requires all reports submitted by CCOs to OHA for the prior calendar year, as required by the contract, to include standardized forms within the scope of the Group's work, be shared annually with the legislature and publicly via a website.

The legislation recognizes two instances in which financial reporting noted above shall not be made public. Any report which contains information protected from disclosure by state or federal law or protected from disclosure as a trade secret, as defined by ORS 192.345, including compensation paid to providers by a CCO, is not subject to the public reporting requirement.

CCO staff will be presented with an opportunity to receive Statutory Accounting Principles (SAP) framework training from OHA or its contractor.

IV. Membership

SB 1041 (2019) requires that each CCO have at least one representative on the Group. Each CCO shall have no more than three representatives on the group. Each CCO CEO shall identify their CCO's representative via an email message to OHA CFO Dave Baden before October 30, 2019.

The Group's executive sponsor is OHA Director Patrick Allen, though he may delegate this role as needed to OHA CFO Dave Baden.

The Group is expected to meet approximately monthly, beginning in November, and complete its work before August 15, 2020.

V. Resources

OHA DOJ legal counsel may participate in the Group’s deliberations and state staff support will be available from the OHA Actuarial Services Unit, OHA Office of Finance and Budget, OHA Office of Health Policy, and the Department of Consumer & Business Services

The Group will have access to reporting requirements considered by “Exhibit L” as well as NAIC standards, best-practices and any other related forms, guidance or expertise.