

## MEMORANDUM

**TO:** The Honorable Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
The Honorable Rep. Dan Rayfield, House Co-Chair  
Subcommittee on Human Services

**FROM:** Janell Evans, Budget Director, Oregon Health Authority

**DATE:** February 20, 2017

**SUBJECT:** Responses to February 16 Public Hearing Questions

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During OHA's presentation before your committee on Thursday, February 16, committee members asked questions that required additional follow-up. Here are those questions and our responses:

**Sen. Winters:** Is the pricing for Hepatitis C going down because there's competition in the market? What are the future cost to the system if we don't do this (treat Hepatitis C at stage 2)?

The cost per treatment is driven by the current cost of pharmaceuticals and the agency's ability to obtain supplemental rebate agreements with manufacturers. Competition is increasing as more products are brought to market. OHA will continually be monitoring cost savings opportunities in providing Hepatitis C treatment.

As discussed during the committee hearing, future potential cost savings would include long-term better health outcomes for those with Hepatitis C. Those with the disease presumably would not progress to higher stages of the disease that lead to chronic liver disease, liver failure and possibly liver cancer. What was not

discussed in the meeting is the prevention of spreading Hepatitis C if individuals are treated and cured, resulting in fewer people affected and additional avoided health care costs. Given the uncertainty around these complicated cost factors related to treating the Hepatitis C population, OHA is cautious about specifically pricing long-term savings to the Medicaid program; however, it is likely OHP would realize an avoidance of future costs because those cured would not need to receive higher-cost future treatment and prevent spreading the disease in the future.

**Rep. Buehler:** Do you how many FQHCs there are in the state of Oregon? My understanding is that immigrant children can get treatment at these facilities and those receive federal dollars correct?

There are 34 federally qualified health centers (FQHCs) with more than 200 clinical site locations statewide. There are 67 rural health clinics (RHCs) currently enrolled, with another ten in the process of enrollment. There are also two Indian Health Services clinics, and nine tribal health clinics in Oregon.

Yes, immigrant children can get treatment at these facilities. FQHCs generally operate as the safety-net for all members of their community, including low-income immigrants. By meeting federal requirements, FQHCs apply and receive federal grants under Section 330 of the Public Health Service Act. Federal regulation mandates that no patient will be denied health care services due to an individual's inability to pay for such services by the health center, assuring that any fees or payments required by the center for such services will be reduced or waived. (See a summary of federal program requirements at <https://bphc.hrsa.gov/programrequirements/summary.html>.)