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March 28, 2023

Senator Wlnsvey Campos, Co-Chair  
Representative Andrea Valderrama, Co-Chair  
Joint Ways and Means Human Services Sub-Committee  
900 Court Street NE  
State Capitol  
Salem, OR 97301

Dear Co-Chairs and Committee Members:

Please find below information requested by members of the Joint Ways and Means Human Services Sub-Committee at the March 27 meeting on the OHA Agency Wrap Up.

**1. Must it be a state employee, specifically, who makes a determination of eligibility for Medicaid? Is it possible to contract out or delegate that determination in any way?**

A state Medicaid agency can delegate its authority to determine eligibility only to certain other governmental agencies, namely those that administer financial assistance programs or supplemental security income. It cannot delegate – and the other governmental agencies cannot subdelegate – to a non-governmental contractor or similar entity.

OHA delegates Medicaid eligibility determinations to ODHS because they are the single state agency for financial assistance programs under title IV-A. OHA also delegates eligibility Fair Hearings authority to them because they are the ones determining eligibility.

The Federal law on this point is here, in section (c):

<https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-C/part-431/subpart-A/section-431.10>

The key line in the law is:

(c)(2) The Medicaid agency may delegate authority to make eligibility determinations or to conduct fair hearings under this section only to a government agency which maintains personnel standards on a merit basis.

Please do not hesitate to reach out if you have any further questions or clarifications.

Sincerely,

Dave Baden  
Interim Director