



Lucy Wallace
Traditional Health Worker Alliance Manager
Willamette Health Council
1701 Liberty St SE, Salem, OR 97302

Oregon State Senate
Senate Committee on Healthcare
Chair Deb Patterson
900 Court St NE, Salem, OR 97302
Re: Community Health Services and Reimbursement Challenges in Oregon

Dear Chair Patterson and Members of the Senate Committee on Healthcare,

Thank you for the opportunity to submit testimony on the critical issue of community health services and reimbursement in Oregon.

Traditional Health Workers (THWs) play a vital role in addressing social determinants of health through the delivery of preventative care and social services to underserved communities in our state. However, current Oregon Administrative Rules, the Medicaid State Plan, and related reimbursement models do not adequately support these essential services. This undermines the health system's efforts to provide early intervention and comprehensive care, particularly for vulnerable populations who may be reluctant to seek care due to stigma associated with formal diagnoses.

The integration of vital THW services is hindered by many challenges. Below are key challenges for which Senate Bill (SB) 529 is necessary.

1. **Clinical Supervision Requirements:** THWs are required to be supervised by Licensed Healthcare Professionals (LHCPs), creating bureaucratic obstacles and increasing administrative costs. This requirement is particularly burdensome for smaller organizations and is further complicated by the statewide shortage of licensed LHCP workforce.
2. **Diagnosis and Treatment Plan Requirements:** To bill for THW services under the Oregon Health Plan, there must be a direct tie to a diagnosis or treatment of a medical problem or mental health need. This impedes the provision of preventative services and delays care until a diagnosis is established.
3. **Lack of Adequate Reimbursement:** THW reimbursement models are still primarily grant based and are also largely funded by organizational budgets that are limited and varying availability year over year. The Oregon Health Authority has provided guidance on THW reimbursement models and identified lists of billing codes and rates for THW services. The current reimbursement model overlooks the broader benefits of preventative services provided by THWs and does not fully compensate for the infrastructure costs associated with employing and maintaining THWs, including the cost of supervision and data and billing systems.

Passing SB 529 will support the expansion of billing codes to encompass a wide range of preventative and social support activities, simplify supervision requirements for THWs, remove the necessity for a medical or behavioral diagnosis to enable reimbursement of THW services provided through community-based organizations, and ensure Coordinated Care Organizations contract with THWs using alternative payment models tied to quality. These changes are essential to sustaining THW services in organizations that provide critical preventative services to communities in need. By implementing these changes, we can enhance the reach and effectiveness of our healthcare system, improve public health outcomes, and reduce long-term healthcare costs. Thank you for your attention to this critical issue.