



March 28, 2025

Representative Rob Nosse, Chair
Representative Cyrus Javadi, Vice-Chair
Representative Travis Nelson, Vice-Chair
House Committee on Behavioral Health and Health Care
Oregon Legislative Assembly
900 Court St. NE
Salem, OR 97309

Re: Opposition to House Bill 2205; Support for HB 2205-1.

Chair Nosse, Vice-Chairs Javadi and Nelson, and Members of the Committee:

The PacificSource companies are independent, not-for-profit health insurance providers based in Oregon. We serve over 600,000 commercial, Medicaid, and Medicare Advantage members in three states. PacificSource Community Solutions is the contracted coordinated care organization (CCO) in Central Oregon, the Columbia River Gorge, Marion & Polk Counties, and Lane County. Our mission is to provide better health, better care, and better value to the people and communities we serve.

We write to express our opposition to the base bill but wish to support a -1 amendment posted on OLIS. We believe the focus of the state at this moment should not be on prescribing the coordinated care organizations' contract length, but instead on finding ways we all work together to ensure stability within the Medicaid system in a time of increased uncertainty at the federal level. Congressional action leaves Medicaid in an uncertain place. Since the federal House Energy and Commerce Committee has instructions to save \$880 billion over a 10-year period from budgets within its jurisdiction, Medicaid funding is at risk – which puts those who depend on coverage for basic health care services at risk. Oregon must renegotiate the 2022-2027 § 1115 demonstration waiver with the new administration. At current, we could not articulate what priorities the new Centers for Medicare and Medicaid Administrator's priorities will be and how that might shift a waiver renewal or extension.

Procurement is a tool to advance a set of policy goals. It's not the only tool - the agency can advance policy through contract amendments, rules, guidance, collaboration, etc. And as far as tools go for advancing policy, it is also an enormous time and resource draw. With the rapidly changing federal environment, whatever the agency plans for today might be moot a year from now. The agency needs to retain agility until it becomes clear that a procurement will achieve the objectives we collectively need to it to achieve.

To be clear, delaying the next CCO procurement to understand the environment does not mean policy changes cannot be made. Delay recognizes that going through a two-year policy process may not be the best tool to use right now.

Thus, we would support a delay in CCO contract procurement for the limited purpose of addressing this period of uncertainty. We believe that the -1 amendment to the base bill provides the agency to accomplish this delay.

Finally, we believe that this bill allows us not to have to revisit the question of contract term and procurement timeline. By changing the statutory term of the contract to "no less than 5 years", we will not have to spend time in a legislative committee debating the appropriate length of contract. After procurement, the "no less than 5 years," in our estimation, obviates the necessity for the legislature to enact statutory one-off delays.

Thank you for your consideration of our concerns.

Sincerely,

/s

Richard Blackwell
Director, Oregon Government Relations