

LEGISLATIVE FISCAL OFFICE
900 Court Street NE, Room H-178
Salem, Oregon 97301
(503) 986-1828



Amanda Beitel, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer
John Terpening, Deputy Legislative Fiscal Officer

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WAYS AND MEANS

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Representative Gomberg, House Co-Vice Chair
Representative Smith, House Co-Vice Chair

To: Capital Construction Subcommittee
From: Matt Stayner, Legislative Fiscal Office
Date: March 2, 2026
Subject: HB 4127 Relating to Medicaid payments to reproductive health care providers
Work Session Recommendations

HB 4127 directs the Oregon Health Authority to establish a fee-for-service payment mechanism for services provided to medical assistance recipients by certain nonprofit reproductive health care providers that are enrolled in the state medical assistance program, which are defined as “prohibited entities” by the measure.

The authority is designated as the sole party responsible to make payments to the prohibited entities and excludes the use of federal Medicaid funds in making these payments. Retroactive payment of claims made on or after July 4, 2025, are permitted, if the claim was not eligible for a federal match and the provider has yet to receive payment for the claim. A coordinated care organization may also recover overpayment for claims during this period.

The authority must update billing and claims processing systems as necessary, ensure provider enrollment and credentialing requirements align with current standards, and conduct a rate analysis at least once each biennium to ensure payment rates promote access to reproductive health services.

If a state or federal rule or regulation is adopted or enacted that prohibits one of these providers from enrolling in the state medical assistance program, OHA is directed to implement a grant program to support these providers. The grants will be the equivalent to the funding amount that a provider would receive in OHA's fee-for-service payment system.

The estimated one-year cost to replace federal funding for these services is \$16.4 million General Fund. In November, the Emergency Board provided OHA with \$7.5 million General Fund to pay for a portion of these costs. The remaining \$8.9 million General Fund is included as a part of the funding for the agency's implementation of United States Public Law 119-21 in the 2026 session omnibus bill, HB 5204.

Final Subcommittee Action

LFO recommends that HB 4127 be moved to the Ways and Means Full Committee.

MOTION: I move HB 4127 to the Full Committee with a do pass recommendation.
(vote)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____