



February 2, 2026

Oregon State Legislature
House Committee on Health Care
900 Court St NE
Salem, OR 97301

Subject: Opposition to HB 4003

Chair Nosse, Vice Chairs, and Members of the Committee,

I am writing on behalf of Yamhill Community Care (YCCO), a nonprofit coordinated care organization serving more than 35,000 Oregon Health Plan (OHP) members. YCCO strongly opposes HB 4003 and the amendment circulated by Oregon Health Authority (OHA) on January 30, 2026.

For more than 30 years, the Prioritized List has been the foundation for determining benefits offered by OHP. It is a well-understood system that provides clarity and consistency for members, providers, and coordinated care organizations.

In Oregon's 2022 waiver, the Centers for Medicare & Medicaid Services (CMS) made clear that, effective January 1, 2027, the legal authority for benefit design must move from Oregon's waiver to the Medicaid State Plan. Over the past two years, including through legislation proposed in the 2025 legislative session, OHA has sought to eliminate the Prioritized List entirely in response to this directive. We believe that approach is misguided. Removing the list would create significant confusion for members, providers, and CCOs, and would likely lead to cost overruns by eliminating a clear, evidence-based method for determining covered benefits.

I strongly encourage members of the Committee to read the full CMS correspondence from January 20, 2026. One sentence is particularly important: *"The state can continue to use the prioritized list to guide medical necessity criteria."* This language is unambiguous.

The amendment OHA provided on January 30 retains the words "prioritized list" but removes the core characteristics that allow the list to function—namely, a ranked structure and a clear coverage line. Interpreting CMS's guidance to mean that Oregon should preserve the name of the Prioritized List while discarding its substance is, at best, a misreading of CMS's intent. CMS has been clear that Oregon's obligation is to move the legal authority for benefit coverage into the Medicaid State Plan, while leaving the management of benefits at the state level.

That same afternoon, I participated in a meeting with various interested parties that included Chair Nosse and OHA officials. After the discussion, I submitted a proposed fix that I believe would bring Oregon fully into compliance with CMS. That approach would:

- Define broad service categories in the Medicaid State Plan (e.g., hospital services, physician services, prescription drugs, and more).
- Continue to use the Prioritized List to establish specific, evidence-based medical necessity criteria within those broad categories.

This structure mirrors CMS's guidance exactly: *"The coverage of services would be based on the coverage parameters outlined in the state plan and medical necessity criteria determined by the state."* Under this approach, members would continue to receive medical review for denials and retain clear appeal pathways to ensure medically necessary conditions are covered.

Finally, I recommend renaming the "Funding Line" as the "Evidence Line," consistent with CMS's direction. Services would remain ranked based on comparative evidence of benefit. Statute should clarify that the Evidence Line cannot be used to scale benefits based on legislative funding decisions. Instead, the Evidence Line would reflect whether sufficient evidence exists for a service to be considered a covered benefit. Services below the line may be safe and effective, but lack the evidence required for coverage. This approach ensures that new therapies must demonstrate sufficient evidence to be a covered benefit.

In closing, I hope the fix adopted above can be incorporated by amendment. If not, I urge the committee to reject this legislation, as it is not necessary to pass in this short session. OHA has until the end of June to submit a plan to CMS. Following CMS approval of that plan and a State Plan Amendment, the Legislature can thoughtfully update statute during the 2027 session. Advancing HB 4003 now risks creating confusion, administrative disruption, and cost overruns.

Thank you for your time and consideration. I would be happy to answer any questions.

Respectfully,

/s/

Daniel T. Cushing
Government Affairs Director