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February 3, 2026

Testimony to the House Health Care Committee

RE: Support for HB 4039 – Rates Development Process

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

My name is Dr. Manu Chaudhry. I serve as President of Capitol Dental Care, a Dental Care Organization providing services to Oregon Health Plan members through contracts with coordinated care organizations across Oregon.

I am writing in strong support of HB 4039, which improves Oregon's Medicaid rate development process.

I want to speak specifically to dental.

OHP rates are paid to CCOs as a fixed per member per month amount set annually by the Oregon Health Authority, and that rate must cover dental care along with the rest of the benefit package.

When costs rise faster than rates, access tightens, networks strain, and it becomes harder to invest in prevention and early intervention.

Here is the core issue. If the rate-setting process mostly learns from past utilization, the system can unintentionally reward disease treatment. More disease and more procedures become the baseline for "what it costs." That does not match what Oregon is trying to do with the CCO model, which is to fund health, prevent avoidable disease, and manage cost growth responsibly.

We should be paying for prevention and for keeping Oregonians healthy, not waiting for decay to progress until children need hospital-based dental surgery under general anesthesia or adults seeking dental care in the ER or ED. Significant shifts year to year also undermine near-term investments that expand access, stabilize workforce, and improve oral health, which is a key social determinant of health.

HB 4039 is a practical fix. It increases transparency, predictability, and data quality, and it explicitly includes dental subcontractors and providers in engagement and information sharing.

It aligns OHA and CCO data to improve rate accuracy, requires 90 days' notice before open-card fee schedule changes, and separately prices new benefits or new contract requirements.

Please pass HB 4039 so Oregon can build a rate process that funds prevention, supports access, and sustains the dental delivery system.

Thank you.