COALITION FOR A HEALTHY OREGON

Oregon's Voice for Community Based Health

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

Submitted Electronically

February 3, 2026

Questions and Comments on HB 4003

Dear Chair Nosse and Members of the House Committee on Health Care,

The Coalition for a Healthy Oregon respectfully submits the following comments and questions in advance of today's hearing on HB 4003. The statutory changes proposed in the bill will result in significant material impacts to how CCOs deliver health services, how providers provide and members receive health care in Oregon. To be clear, the changes in this bill will inevitably result in some of the most vulnerable people and children losing access to the Oregon Health Plan(OHP) and will result in high administrative costs to the providers and the state.

Oregon's Prioritized List has long provided a common, statewide framework for what the OHP covers, and how Coordinated Care Organizations operationalize that coverage. CMS has recently determined that elements of this framework may no longer be used in Oregon's waiver. However, the Prioritized List may be used to determine what is medically necessary.

Ultimately, any process for determining coverage using the Prioritized List needs three fundamental elements.

1) A clear distinction between what is covered and what is not covered, with some form of ranking retained for reference only.
2) An evidence-based demarcation, with a clear and transparent process for determining what is covered and not covered (for example, an evidence-based funding line).
3) Clear legal direction that the ultimate design of the benefit—what is covered and what is not—is determined by the Health Evidence Review Commission (HERC), and that HERC's recommendations in defining medical necessity appropriately narrows what is established in rule medically necessary (i.e., HERC, not the agency, controls the benefit design).

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We feel it is critical that the Oregon Health Authority states on-the-record, how coverage decisions and CCO operations work today and how they will work in the future with the changes that they propose. Responding to the following questions, framed as 'use case' scenarios, will inform both the Legislature, CCOs, providers, and the public. We have copied the OHA's Government Affairs staff here in an effort to allow them time to prepare a response to the Committee.

Function	**Today**	**Questions: Tomorrow /Future**
Coverage Determination	The Prioritized List signals covered vs. uncovered services; and HERC guides condition-specific coverage.	What replaces the Prioritized List for defining covered services? Will there be statewide clinical criteria or alternative standards? With statutory authority on benefit determination resting solely with OHA, what role will HERC play?
Line of Coverage	The Prioritized List is created by the HERC and creates list of covered and non-covered services and treatments	How will new emerging treatments be handled without an evidence-based line? What is the logic Oregon will use to manage amount, durations and scope of services?
Authorizations & Clinical Pathways	CCOs use Prioritized List for prior authorization criteria and clinical pathways.	What uniform criteria or guidelines will CCOs use with the Medicail Necessity not defined in law? What happens if something is Medically Necessary but not in the new "Covered Section?"
Claims Processing	Claims edits reference Prioritized List line numbers; automated adjudication aligned to the List.	What new claims logic/edits will be used? What is the timeline and testing plan for system conversion?
Benefit Uniformity Across CCOs	Prioritized List function as a common statewide reference.	What oversight tools ensure uniform coverage without the List?
Role of HERC	Maintains the List and DTPs informing coverage and clinical appropriateness.	Will HERC continue issuing guidance? If yes, for clinical best practice only—or will it have regulatory weight?

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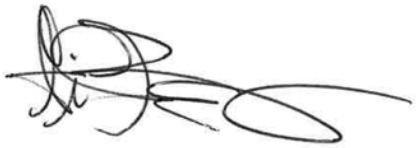
Member Experience	Predictable coverage tied to List; established appeals pathways.	Changes to notice, appeals, or timelines? How will continuity of care be protected for ongoing treatments?
Provider Guidance	Provider manuals and PA grids mapped to List.	What new provider guidance replaces those mappings, and when will it be published?
Rulemaking & Governance	OARs and contracts reference the List.	Which OARs/contracts need amendment? What is the promulgation schedule and effective dates?
Transition Management	N/A	Cutover plan, grandfathering of existing authorizations, contingency protocols, and communication cadence.

The Coalition for a Healthy Oregon (COHO) includes seven coordinated care organizations (CCOs) serving more than 450,000 Medicaid members through the Oregon Health Plan: Advanced Health, AllCare CCO, Cascade Health Alliance, InterCommunity Health Network Coordinated Care Organization, Trillium Community Health Plans, Umpqua Health Alliance, and Yamhill Community Care.

Respectfully submitted,



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