

Memorandum

PREPARED FOR: Rep. Ben Bowman
DATE: November 24, 2025
BY: Katie Hart, LPRO Analyst
RE: Prohibited Entities and H.R. 1



Summary

On September 30, 2025, the Legislative Policy and Research Office (LPRO) received a research request from the House Majority Office (HMO) regarding federal [H.R. 1](#) and the provision of reproductive health services in Oregon. LPRO was asked to provide a summary of the number of encounters and types of services provided at prohibited entities, as defined in H.R. 1, as well as a summary of policies developed in other states as a response to Section 71113 of H.R. 1. This memo provides an overview of the background of H.R. 1 Section 71113, a summary of available data in Oregon, and a comparison of state responses to the provision.

Background

On July 4, 2025, President Donald Trump signed [H.R. 1](#), implementing a budget reconciliation bill with a range of changes, including changes to Medicaid reimbursements. H.R. 1 Section 71113 prohibits, for **one year**, Medicaid reimbursement to “prohibited entities,” defined as:

- Nonprofit health care organizations,
- Essential community providers primarily engaged in family planning services, reproductive health, and related medical care,
- Providers of abortions outside of Hyde Amendment¹ exceptions, and
- Recipients of more than \$800,000 in Medicaid reimbursements in 2023.

Because existing federal law prohibits the use of federal funds to pay for abortions, the new reimbursement prohibition applies to all other health care services provided by the prohibited entities. This includes other reproductive health care services such as access to birth control, screening and treatment for sexually transmitted diseases, and cervical cancer screenings. The reimbursement prohibition took effect on July 4, 2025 and ends after one year.

On July 29, 2025, several states, including Oregon, filed a complaint in federal court seeking an injunction against the prohibition on federal reimbursement to prohibited

¹ Hyde Amendment, Pub. L. No. 94-439, § 209, 90 Stat. 1418, 1434 (1976), as renewed annually in federal appropriations acts. The Hyde Amendment prohibits the use of federal funds to pay for abortions except for pregnancies that result from rape or incest, or if a woman's life would be in danger (life-saving exception). See, Congress.gov, The Hyde Amendment: An Overview, at <https://www.congress.gov/crs-product/IF12167>. Last accessed November 20, 2025.

entities.² As of November 21, 2025, the prohibition remains in effect as the matter remains pending before U.S. District Court for the District of Massachusetts.

Oregon Impacts

In Oregon, reproductive health services are paid for by private health insurance plans, marketplace plans, Medicaid, or, in the case of abortion services excluded under the Hyde Amendment, by state funds. [House Bill 3391](#) (2017) (also known as the “Reproductive Health Equity Act” or “RHEA”), requires health plans in Oregon to fully cover abortion services without patient cost-sharing.

In Oregon, in 2023, Medicaid covered 21% of adults aged 19-64 and financed 44% of all births.³ Prior to H.R. 1, Oregon Medicaid reimbursed providers for most reproductive health services, except for abortion services, and regardless of whether the provider was primarily engaged in reproductive health care. Following enactment of H.R. 1, abortion services are still reimbursed using state funds, but other reproductive health services are not reimbursed by Medicaid when provided by “prohibited entities.”

Data Request and Responses

In response to the research request, LPRO contacted the Oregon Health Authority (OHA) to determine how the agency would define “prohibited entities,” and to request data about the range and volume of Medicaid-covered services provided by these entities, the volume of people served, and the payer mix for all services provided.

In response, OHA identified two providers in Oregon that meet the definition of a prohibited entity: Planned Parenthood Columbia Willamette (PPCW) and Planned Parenthood Southern Oregon (PPSO). OHA provided the total public funds expended on non-abortion services at Planned Parenthood, but did not provide data about the range or volume of services, individuals served, or payers.

LPRO posed the same questions directly to the two entities identified by the agency. The entities responded with rounded figures for fiscal year 2025 that, per the source of the data, have not yet been audited and validated. LPRO was not able to independently review claims or financial data.

² KFF, “Status of Abortion Litigation in State Courts,” *KFF*, November 14, 2025, <https://www.kff.org/womens-health-policy/status-of-abortion-litigation-in-state-courts/>. Last accessed November 20, 2025.

³ KFF, “Medicaid in Oregon,” May 2025, <https://files.kff.org/attachment/fact-sheet-medicaid-state-OR>. Last accessed November 10, 2025.



H.R. 1 Section 71113 Impacts

What services provided by prohibited entities will be impacted?

OHA determined that PPCW and PPSO are the only organizations in Oregon that meet the definition of a prohibited entity. These affiliates currently operate **11 health centers** in Oregon and **one** in Vancouver, Washington. OHA stated that services provided by PPCW and PPSO include contraception, STI/HIV testing and treatment services, preventive care services, including breast and cervical cancer screening, pregnancy testing and planning, abortion, and gender-affirming care. Planned Parenthood additionally provided the list of services for [PPCW](#) and [PPSO](#).

Planned Parenthood reported that in fiscal year 2025 (July 1, 2024, to June 30, 2025), PPCW and PPSO provided 166,000 tests for sexually transmitted infections, dispensed 98,000 contraceptive cycles, inserted 8,300 long-acting reversible contraceptives like IUDs, and conducted 3,700 cervical cancer screenings.

Who is served by the impacted entities?

Planned Parenthood reported that, in fiscal year 2025, PPCW and PPSO collectively provided care for 67,500 patients through nearly 100,000 visits. They reported that roughly 10% of services provided by the affiliates were related to abortion care, and 90% of the care provided was unrelated to abortion.

What is the payer mix for the impacted entities?

For fiscal year 2025, Planned Parenthood reported that Medicaid accounted for roughly 45% of PPCW and PPSO's total operating revenue. In addition to Medicaid funding, they reported that other state funds received are reimbursements for services provided, from RHEA and the abortion access plan. Planned Parenthood reports that as a sub-grantee of the [Title X](#) family planning program, other federal funding may include grants for education programming or facility and security needs.

OHA provided the following list of Coordinated Care Organizations (CCOs) contracted with Planned Parenthood affiliates prior to October 1, 2025:

- **Planned Parenthood Columbia Willamette Affiliate:** PacificSource, Care Oregon (including Jackson Care Connect and Columbia Pacific), OHSU Health, Intercommunity Health Network, Eastern Oregon CCO, Trillium.
- **Planned Parenthood Southern Oregon Affiliate:** PacificSource, Care Oregon, Trillium, AllCare Health, Jackson Care Connect

Planned Parenthood reported that for each affiliate, the payer mix is roughly 65-70% Medicaid, 25-30% commercial insurance, and the remainder of patients are self-pay.



Oregon Legislature Response

On November 18, 2025, the Joint Emergency Board voted to allocate \$7.5 million from the General Fund to OHA to facilitate payments to Planned Parenthood affiliates in Oregon for reproductive health services rendered to Oregon Health Plan members. This allocation is in addition to \$10 million allocated to OHA from the General Fund during the 2025 legislative session for distribution to reproductive health providers. Both appropriations are intended to pay for services through the fee-for-service program, rather than through CCOs. [Materials](#) provided to the Joint Emergency Board provide additional information about the request and OHA's progress in developing an FFS carve-out for services provided at Planned Parenthood affiliates.⁴

Other State Responses

Elected officials in several states have acted or made public comments committing resources to assist prohibited entities in response to the federal [H.R. 1](#) prohibition of Medicaid reimbursement. [California](#) and [Washington](#) have appropriated state funding to support prohibited entities. [Colorado](#) passed legislation to fund health services at prohibited entities. Prohibited entities in [Wisconsin](#) have given up their essential community provider status to maintain Medicaid payment eligibility.

Methods

States were selected for inclusion in this comparison based on the distinctiveness of their program or their geographic proximity to Oregon. Information for this comparison was drawn from [2025 Medicaid fact sheets](#) from KFF, a [2025 summary of state abortion protections and restrictions](#) from the National Conference of State Legislatures (NCSL), and other referenced sources. Information was verified and, where necessary, corrected using state government sources to ensure accuracy and reflect current policies as of 2025. The examples presented are illustrative rather than comprehensive.

California

In 2023, Medicaid covered 23% of adults aged 19-64 and financed 40% of all births in California.⁵ California protects abortion in [statute](#) and requires abortion coverage by the

⁴ For a detailed overview of federal and state funds and payments to PPs, see OHA's letter to the Joint Emergency Board, dated November 10, 2025.

<https://olis.oregonlegislature.gov/liz/202511/Downloads/CommitteeMeetingDocument/310727#page5>.

⁵ KFF, "Medicaid in California," May 2025, <https://files.kff.org/attachment/fact-sheet-medicaid-state-CA>. Last accessed November 10, 2025.



state Medicaid program, private health insurance plans, and ACA Marketplace plans.^{6,7} California has seven Planned Parenthood affiliates that may be defined as prohibited entities and prohibited from receiving Medicaid reimbursement under H.R. 1.⁸

On October 23, 2025, Governor Newsom released a [statement](#) announcing an investment of over \$140 million in emergency state funding to California's Planned Parenthood affiliates. According to the statement, the investment is intended to support the affiliates until the state legislature can consider allocating additional resources in 2026. Additional details about the payment mechanism were not available upon finalization of this memorandum.

Colorado

In 2023, Medicaid covered 15% of adults aged 19-64 and financed 36% of all births in Colorado.⁹ Colorado protects abortion in [statute](#) and requires abortion coverage by private health insurance plans, ACA Marketplace plans, and, beginning in 2026, through the state Medicaid program.^{10,11} Colorado has one Planned Parenthood affiliate that may be defined as a prohibited entity and prohibited from receiving Medicaid reimbursement under H.R. 1.¹²

On August 21, 2025, Governor Polis called the Colorado General Assembly into [Extraordinary Session](#) to address the state's fiscal deficit caused by H.R. 1. During the

⁶ National Conference of State Legislatures, "State Abortion Laws: Protections and Restrictions," *Summary*, August 5, 2025, <https://www.ncsl.org/health/state-abortion-laws-protections-and-restrictions>. Last accessed November 10, 2025.

⁷ KFF, "State Policies on Abortion Coverage in Medicaid, Private Insurance, and ACA Exchange Plans in 2025," KFF, January 8, 2025, <https://www.kff.org/womens-health-policy/state-policies-on-abortion-coverage-in-medicaid-private-insurance-and-aca-exchange-plans-2025/>. Last accessed November 10, 2025.

⁸ Planned Parenthood, "Planned Parenthood Affiliates," August 2017, https://www.plannedparenthood.org/uploads/filer_public/77/8a/778aa8ad-0cae-4235-9ac0-a21760a7787a/affiliate_list.pdf. Last accessed November 10, 2025.

⁹ KFF, "Medicaid in Colorado," May 2025, <https://files.kff.org/attachment/fact-sheet-medicaid-state-CO>. Last accessed November 10, 2025.

¹⁰ National Conference of State Legislatures, "State Abortion Laws: Protections and Restrictions." August 2025, <https://www.ncsl.org/health/state-abortion-laws-protections-and-restrictions>. Last accessed November 10, 2025.

¹¹ KFF, "State Policies on Abortion Coverage in Medicaid, Private Insurance, and ACA Exchange Plans in 2025." January 2025, <https://www.kff.org/womens-health-policy/state-policies-on-abortion-coverage-in-medicaid-private-insurance-and-aca-exchange-plans-2025/>. Last accessed November 10, 2025.

¹² Planned Parenthood, "Planned Parenthood Affiliates." August 2017, https://www.plannedparenthood.org/uploads/filer_public/77/8a/778aa8ad-0cae-4235-9ac0-a21760a7787a/affiliate_list.pdf. Last accessed November 10, 2025.



six-day session, the Colorado Legislature passed [SB 25B-002](#), which requires the Colorado Department of Health Care Policy and Financing to use state funds to reimburse entities that provide covered services and that are prohibited from receiving reimbursement from Medicaid. The law was signed by Governor Polis on August 26, 2025, and became effective on passage. The law permits the Department of Health Care Policy and Financing to adopt rules to implement the reimbursements.

Washington

In 2023, Medicaid covered 16% of adults aged 19-64 and financed 35% of all births in Washington.¹³ Washington protects abortion in [statute](#) and requires abortion coverage by the state Medicaid program, private health insurance plans, and ACA Marketplace plans.^{14,15} Washington has three Planned Parenthood affiliates that may be defined as prohibited entities and prohibited from receiving Medicaid reimbursement under H.R. 1.¹⁶

On July 9, 2025, Governor Ferguson released a [statement](#) committing to cover the cost of any gap caused by the prohibition of Medicaid payments to prohibited entities. Washington state will make funding available to the Planned Parenthood affiliates, which receive roughly \$11 million a year from the federal government according to the Governor's press release. Oregon Public Broadcasting [reported](#) that Planned Parenthood clinics will continue to submit claims for Medicaid patients to the Washington Health Care Authority, and the state will reimburse the claims with state-only funds.

Wisconsin

In 2023, Medicaid covered 15% of adults aged 19-64 and financed 35% of all births in Wisconsin.¹⁷ Wisconsin prohibits most abortion coverage in [statute](#), and prohibits the

¹³ KFF, "Medicaid in Washington," May 2025, <https://files.kff.org/attachment/fact-sheet-medicaid-state-WA>. Last accessed November 10, 2025.

¹⁴ National Conference of State Legislatures, "State Abortion Laws: Protections and Restrictions." August 2025, <https://www.ncsl.org/health/state-abortion-laws-protections-and-restrictions>. Last accessed November 10, 2025.

¹⁵ KFF, "State Policies on Abortion Coverage in Medicaid, Private Insurance, and ACA Exchange Plans in 2025." January 2025, <https://www.kff.org/womens-health-policy/state-policies-on-abortion-coverage-in-medicaid-private-insurance-and-aca-exchange-plans-2025/>. Last accessed November 10, 2025.

¹⁶ Planned Parenthood, "Planned Parenthood Affiliates." August 2017, https://www.plannedparenthood.org/uploads/filer_public/77/8a/778aa8ad-0cae-4235-9ac0-a21760a7787a/affiliate_list.pdf. Last accessed November 10, 2025.

¹⁷ KFF, "Medicaid in Wisconsin," May 2025, <https://files.kff.org/attachment/fact-sheet-medicaid-state-WI>. Last accessed November 10, 2025.



spending of any state funds for abortions unless an abortion is necessary to prevent damage to the pregnant person's physical health.¹⁸ Wisconsin has one Planned Parenthood affiliate that may be defined as a prohibited entity and prohibited from receiving Medicaid reimbursement under H.R. 1.¹⁹

Planned Parenthood of Wisconsin [paused the provision of abortion](#) services from October 1 to October 27, 2025. To resume the provision of abortion services, Planned Parenthood of Wisconsin relinquished its [Essential Community Provider](#) (ECP) designation with Health and Human Services (HHS). The ECP designation indicates that a provider serves predominately low-income, medically underserved individuals. Qualified Health Plans (QHPs) must contract with at least 35 percent of ECPs in their plan's service area, including contracting with at least 35 percent of available family planning providers. QHPs must also pay ECPs at least as much as is paid to other providers for the same or similar services.

Through relinquishing their ECP status, Planned Parenthood of Wisconsin believes the organization no longer meets the definition of a prohibited entity in federal law and will not be prohibited from receiving Medicaid funds for rendered health services. QHPs will no longer be required to contract with Planned Parenthood of Wisconsin now that the provider has relinquished its ECP designation, and those that do contract with Planned Parenthood of Wisconsin will no longer be obligated to meet the same contracting and reimbursement terms as are provided to other similar providers.

¹⁸ KFF, "State Funding of Abortions Under Medicaid," *KFF*, November 6, 2024, <https://www.kff.org/medicaid/state-indicator/abortion-under-medicaid/>. Last accessed November 10, 2025.

¹⁹ Planned Parenthood, "Planned Parenthood Affiliates." August 2017, https://www.plannedparenthood.org/uploads/filer_public/77/8a/778aa8ad-0cae-4235-9ac0-a21760a7787a/affiliate_list.pdf. Last accessed November 10, 2025.

