COALITION FOR A HEALTHY OREGON

Oregon's Voice for Community Based Health

Amendment Text

SECTION 1. ORS 414.025 is amended to read:

414.025. As used in this chapter and ORS chapters 411 and 413, unless the context or a specially applicable statutory definition requires otherwise:

(1) through (11) [Remain unchanged.]

(12) "The Evidence line" means the line set by the Health Evidence Review Commission on the prioritized list of health services under ORS 414.690 that guides the determination of medical assistance benefits as follows:

(a) Services above the Evidence line have sufficient evidentiary basis to be considered medically necessary and are presumed covered, along with any non-arbitrary limitations on amount, duration or scope;

(b) Services below the Evidence line are considered to have insufficient evidentiary basis for population-level coverage but may be approved for individual members through medical review and appeal processes when justified by the member's specific clinical circumstances; and

(c) The Evidence line shall not be moved solely based on a limitation in legislative funding or budget availability.

[* (12)*] **(13)** (a) "Family support specialist" means an individual who meets qualification criteria adopted by the authority under ORS 414.665 and who provides supportive services to and has experience parenting a child who:

(A) Is a current or former consumer of mental health or addiction treatment; or

(B) Is facing or has faced difficulties in accessing education, health and wellness services due to a mental health or behavioral health barrier.

(b) A "family support specialist" may be a peer wellness specialist or a peer support specialist.

[* (13)*] **(14) "**Global budget" means a total amount established prospectively by the Oregon Health Authority to be paid to a coordinated care organization for the delivery of, management of, access to and quality of the health care delivered to members of the coordinated care organization.

[* (14)*] **(15)** "Health insurance exchange" or "exchange" means an American Health Benefit Exchange described in 42 U.S.C. 18031, 18032, 18033 and 18041.

[* (15)*] **(16)** "Health services" means at least so much of each of the following as are funded by the Legislative Assembly [*based upon the*] **that are above the Evidence line on the** prioritized list of health services compiled by the Health Evidence Review Commission under ORS 414.690:

(a) Services required by federal law to be included in the state's medical assistance program in order for the program to qualify for federal funds;

(b) Services provided by a physician as defined in ORS 677.010, a nurse practitioner licensed under ORS 678.375, a behavioral health clinician or other licensed practitioner within the scope of the practitioner's practice as defined by state law, and ambulance services;

(c) Prescription drugs;
(d) Laboratory and X-ray services;
(e) Medical equipment and supplies;
(f) Mental health services;
(g) Chemical dependency services;
(h) Emergency dental services;
(i) Nonemergency dental services;
(j) Provider services, other than services described in paragraphs (a) to (i), (k), (l) and (m) of this subsection, defined by federal law that may be included in the state's medical assistance program;
(k) Emergency hospital services;
(l) Outpatient hospital services; and
(m) Inpatient hospital services.
[* (16)*] **(17)** "Income" has the meaning given that term in ORS 411.704.
[... subsections (17) through (34) remain unchanged in content but are renumbered accordingly as (18) through (35) ...]

SECTION 2. ORS 414.690 is amended to read:
414.690. (1) The Health Evidence Review Commission shall regularly solicit testimony and information from stakeholders representing consumers, advocates, providers, carriers and employers in conducting the work of the commission.
(2) The commission shall actively solicit public involvement through a public meeting process to guide health resource allocation decisions that includes, but is not limited to:
(a) Providing members of the public the opportunity to provide input on the selection of any vendor that provides research and analysis to the commission; and
(b) Inviting public comment on any research or analysis tool or health economic measures to be relied upon by the commission in the commission's decision-making.
(3)(a) The commission shall develop and maintain a list of health services ranked by priority, from the most important to the least important, representing the comparative benefits of each service to the population to be served.
(b) Except as provided in ORS 414.701, the commission may not rely upon any quality of life in general measures, either directly or by considering research or analysis that relies on a quality of life in general measure, in determining:
(A) Whether a service is cost-effective;
(B) Whether a service is recommended; or
(C) The value of a service.
(c) The list must be submitted by the commission pursuant to subsection (5) of this section and is not subject to alteration by any other state agency.
(d) The commission shall set an Evidence line on the prioritized list, below which services lack sufficient evidentiary basis to be presumed covered as medically necessary for the population served. Services above the Evidence line have sufficient evidentiary basis to be considered medically necessary and are presumed covered, subject to any non-arbitrary limitations on amount, duration or scope. Services below the Evidence line may be

considered for coverage through individual medical review and appeal processes when justified by a member's specific clinical circumstances.

(e) The Evidence line shall be set and may be modified by the commission based solely on evidence of comparative clinical benefit and effectiveness. The Evidence line shall not be moved solely based on a limitation in legislative funding or budget availability.

(4) In order to encourage effective and efficient medical evaluation and treatment, the commission:

(a) May include clinical practice guidelines in its prioritized list of services. The commission shall actively solicit testimony and information from the medical community and the public to build a consensus on clinical practice guidelines developed by the commission.

(b) May include statements of intent in its prioritized list of services. Statements of intent should give direction on coverage decisions where medical codes and clinical practice guidelines cannot convey the intent of the commission.

(c) Shall consider both the clinical effectiveness and cost-effectiveness of health services, including drug therapies, in determining their relative importance using peer-reviewed medical literature.

(5) The commission shall report the prioritized list of services **, including the location of the Evidence line,** to the Oregon Health Authority for budget determinations by July 1 of each even-numbered year.

(6) The commission shall make its report during each regular session of the Legislative Assembly and shall submit a copy of its report to the Governor, the Speaker of the House of Representatives and the President of the Senate and post to the Oregon Health Authority's website, along with a solicitation of public comment, an assessment of the impact on access to medically necessary treatment and services by persons with disabilities or chronic illnesses resulting from the commission's prior use of any quality of life in general measures or any research or analysis that referred to or relied upon a quality of life in general measure.

(7) The commission may alter the list during the interim only as follows:

(a) To make technical changes to correct errors and omissions;

(b) To accommodate changes due to advancements in medical technology or new data regarding health outcomes;

(c) To accommodate changes to clinical practice guidelines; and

(d) To add statements of intent that clarify the prioritized list.

(e) To modify the Evidence line as described in subsection (3)(e) of this section.

(8) If a service is deleted or added during an interim and no new funding is required, the commission shall report to the Speaker of the House of Representatives and the President of the Senate. However, if a service to be added requires increased funding to avoid discontinuing another service, the commission shall report to the Emergency Board to request the funding.

(9) The prioritized list of services remains in effect for a two-year period beginning no earlier than October 1 of each odd-numbered year.

(10)(a) As used in this section, "peer-reviewed medical literature" means scientific studies printed in journals or other publications that publish original manuscripts only after the manuscripts have been critically reviewed by unbiased independent experts for scientific accuracy, validity and reliability.

(b) "Peer-reviewed medical literature" does not include internal publications of pharmaceutical manufacturers.

SECTION 3. ORS 414.065 is amended to read:

414.065. (1)(a) Consistent with ORS 414.690, 414.710, 414.712 and 414.766 and other statutes governing the provision of and payments for health services in medical assistance, the Oregon Health Authority shall determine, subject to such revisions as it may make from time to time and to legislative funding:

(A) The types and extent of health services to be provided to each eligible group of recipients of medical assistance **consistent with the prioritized list of health services and the Evidence line established by the Health Evidence Review Commission under ORS 414.690**;

(B) Standards, including **criteria for medical necessity that align with the Evidence line set by the Health Evidence Review Commission under ORS 414.690,** outcome and quality measures, to be observed in the provision of health services;

(C) The number of days of health services toward the cost of which medical assistance funds will be expended in the care of any person;

(D) Reasonable fees, charges, daily rates and global payments for meeting the costs of providing health services to an applicant or recipient;

(E) Reasonable fees for professional medical and dental services which may be based on usual and customary fees in the locality for similar services;

(F) The amount and application of any copayment or other similar cost-sharing payment that the authority may require a recipient to pay toward the cost of health services.

(b) The authority shall adopt rules:

(A) Establishing timelines for payment of health services under paragraph (a) of this subsection;

(B) Defining the role of the prioritized list of health services, including the Evidence line, established under ORS 414.690 in determining the extent of health services to be provided to medical assistance recipients and in guiding medical necessity determinations;

(C) Prescribing an appeal process for denials of coverage that allows for individual medical review and that is consistent with the provisions for services below the Evidence line under ORS 414.690.

(2) In making the determinations under subsection (1) of this section and in the imposition of any utilization controls on access to health services, the authority may not consider a quality of life in general measure, either directly or by considering a source that relies on a quality of life in general measure.

(3) through (7) [Remain unchanged.]

SECTION 4. ORS 414.325 is amended to read:

414.325. Prescription drugs; use of legend or generic drugs; prior authorization; rules. (1) As used in this section:

(a) "Legend drug" means any drug requiring a prescription by a practitioner, as defined in ORS 689.005.

(b) "Urgent medical condition" means a medical condition that arises suddenly, is not life-threatening and requires prompt treatment to avoid the development of more serious medical problems.

(2) [Unchanged]
(3) [Unchanged]
(4) [Unchanged]
(5)(a) Notwithstanding subsections (1) to (4) of this section and except as provided in paragraph (b) of this subsection, the authority is authorized to:
(A) [Unchanged]
(B) Require prior authorization of payment for drugs that the authority has determined should be limited to those conditions generally recognized as appropriate by the medical profession **and consistent with the prioritized list of health services and the Evidence line established under ORS 414.690**;
(b) The authority may not require prior authorization for:
(A) Therapeutic classes of nonsedating antihistamines and nasal inhalers, as defined by rule by the authority, when prescribed by an allergist for treatment of any of the following conditions, as described by the Health Evidence Review Commission on the funded portion of its prioritized list of services **above the Evidence line**:
(i) Asthma;
(ii) Sinusitis;
(iii) Rhinitis; or
(iv) Allergies.
(B) [Unchanged]
(6) through (9) [Unchanged]
SECTION 5. ORS 414.698 is amended to read:
414.698. Comparative effectiveness of medical technologies. (1) [Unchanged]
(2) [Unchanged]
(3) The Oregon Health Authority shall vigorously pursue health care purchasing strategies that adopt the research findings described in subsection (1) of this section and the evidence-based health care guidelines described in subsection (2) of this section **, consistent with the prioritized list of health services and the Evidence line established under ORS 414.690**.

SECTION 6. ORS 414.694 is repealed.

SECTION 7. (1) As used in this section, "coordinated care organization" and "medical assistance" have the meanings given those terms in ORS 414.025.
(2) The Oregon Health Authority shall study:(a) How the authority and coordinated care organizations can effectuate coverage decisions in the state medical assistance program based on the Evidence line and the prioritized list under ORS 414.690.(b) Areas for potential alignment between the authority's fee-for-service payment system and the Oregon Integrated and Coordinated Health Care Delivery System established in ORS414.570 that are compliant with federal law and within existing resources of the authority.
(3) The authority and the Health Evidence Review Commission shall study the implications and feasibility of developing, as part of the Evidence line and prioritized list under ORS 414.690, diagnosis and treatment code pairings that indicate which health services are not medically necessary or appropriate for particular conditions.

(4) The authority and the commission shall submit a report in the manner provided by ORS 192.245 on the results of the studies conducted under subsections (2) and (3) of this section to the interim committees of the Legislative Assembly related to health care no later than January 1, 2027.

SECTION 8. Section 7 of this 2026 Act is repealed on January 2, 2028.

SECTION 9. (1) As used in this section, "coordinated care organization," "health ser-vices" and "medical assistance" have the meanings given those terms in ORS 414.025.
(2) As part of the transition to using the Evidence line on the prioritized list of health services to determine the coverage of health services in the medical assistance program pursuant to the amendments to ORS 414.690 by section 2 of this 2026 Act, the Oregon Health Authority shall:
(a) Ensure that coverage policies and other guidance developed by the Health Evidence Review Commission are published on a single webpage and readily accessible to interested parties, including but not limited to coordinated care organizations and providers.
(b) Develop tailored technical assistance and other materials for interested parties, including but not limited to medical assistance recipients, providers and coordinated care organizations.
(c) Direct the Health Evidence Review Commission to evaluate the availability of relevant utilization data and the resources necessary to leverage existing utilization data to inform the commission's coverage policies developed under ORS 414.690.
(d) Consult with actuaries for the state medical assistance program to review data as expeditiously as possible after January 1, 2027, to ensure there is sufficient data for devel-oping medical assistance rates for 2028.
(e) Report the authority's findings under paragraph (d) of this subsection to:
(A) The Medicaid Advisory Committee established under ORS 414.211;
(B) The committee convened by the authority related to quality and health outcomes;
(C) The workgroup convened by the authority to collaborate with coordinated care organizations on pharmacy policies; and
(D) The beneficiary advisory committee convened by the authority to receive input from medical assistance recipients.

SECTION 10. Section 9 of this 2026 Act is repealed on January 2, 2029.

SECTION 11. (1) The amendments to ORS 414.025, 414.065, 414.325, 414.690, 414.698 by sections 1 to 5 of this 2026 Act become operative on January 1, 2027.

(2) The Oregon Health Authority and the Health Evidence Review Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority and the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the authority and

the commission by the amendments to ORS 414.025, 414.065, 414.325,414.690, 414.698 by sections 1 to 5 of this 2026 Act.

SECTION 12. This 2026 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect on its passage.