



History of the Prioritized List

Jeff Heatherington

When Oregon redesigned its Medicaid delivery system in 1989, one of the central goals was to eliminate the budget-driven practice of dropping coverage for certain populations. Instead, the state chose a transparent and people-focused approach: clearly defining and prioritizing medical services to maximize health outcomes for the Medicaid population.

That work produced the nation's first prioritized list of health services, grounded in scientific evidence, public health goals, and cost-effectiveness. Its development took several years and involved clinicians, scientists, social scientists, policymakers, and consumers, along with extensive testing and revision.

The prioritized list allowed Oregon to budget deliberately—line by line—and gave the legislature a clear framework for making informed and transparent funding decisions. While there was debate and refinement in the early years, the result was a consistent and well-understood benefit package for Oregon Health Plan members. For more than 30 years, the Health Evidence Review Commission has continuously updated the list to reflect advances in medical care and public health. Today, it remains the most comprehensive, evidence-based, and socially responsive benefit framework in the country.

CMS is asking Oregon to transition coverage authority into the state plan while preserving the prioritized list as the basis for medical necessity—not to eliminate it or weaken its transparency. Unfortunately, this bill in its current form would have that effect.

I urge you to amend the bill to clearly direct the Oregon Health Authority to retain the prioritized list and to strengthen it by expanding its application to prescription drugs and updating behavioral health services.

Oregon successfully defended and refined this approach 30 years ago, and we can do so again. The prioritized list is a unique and proven asset—one that continues to serve Oregonians well and stands as a national model that we could even trademark and market to other states.

Oregon's Prioritized List: How does it compare to other states?

Issue	Oregon – Prioritized List	Most Other States
Covered Services	Scientific-based ranking of condition and treatment pairs	Broad federal service categories subject to individual interpretation
Basis for coverage approval	Clinical effectiveness and priority based on medical evidence and effectiveness not cost.	Plan-specific medical necessity and cost policies
Governance	Independent public commission (HERC)	State Medicaid agencies and managed care plans
Transparency	Very high – published rankings and guidelines	Low to moderate – policies vary by plan and within plans
Budget control	Actuarial determination of cost of each line guides legislative budget process	Denial of care to certain demographic groups, i.e. two parent households, adult males, etc.
Appeals	Some exceptions to Prioritized List, new treatment methods leading to updating of Prioritized List	Appeals against insurer or plan rules, haphazard administration.
Member impact	Protects access to high-value care	Coverage varies by plan and locality
Provider impact	Saves administrative time! Clear statewide rules and consistency.	Variable rules across plans; higher administrative cost for plan and provider.
System impact	Consistency, equity, population-level value	Administrative burden and inconsistent rationing.