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On Behalf Of: Taxpayers
Committee: House Committee On Rules
Measure, Appointment or Topic: HB4147

HB 4127 is fiscally irresponsible and bad policy, especially amid Oregon's severe budget shortfalls. The bill forces the Oregon Health Authority (OHA) to use only state funds to reimburse certain nonprofit reproductive health providers (primarily Planned Parenthood affiliates) ineligible for federal Medicaid dollars due to federal restrictions enacted in July 2025 via the "One Big Beautiful Bill" (H.R. 1), which bars Medicaid reimbursements to abortion-providing entities meeting specific thresholds for one year.

This backfill applies to services for Oregon Health Plan (Medicaid) recipients from July 4, 2025 onward, with an emergency clause for quick enactment. While framed as safeguarding access to preventive care (e.g., screenings, contraception, STI testing), it circumvents federal policy at Oregon taxpayers' expense. Once those funds are sent to nonprofits, there is no oversight of that money, allowing fraud to occur as seen across multiple states already and via the massive fraud identified within USAID and Planned Parenthood already.

Core objections:

High Costs in a Budget Crisis

Oregon's Medicaid relies on ~60% federal matching funds. HB 4127 shifts the full federal share to state general funds. Prior emergency allocations already backfilled ~\$7.5 million for Planned Parenthood alone after the federal cutoff. Ongoing costs could reach millions annually for its 12 clinics, where two-thirds of patients are on Medicaid. With Oregon facing hundreds of millions in required cuts (e.g., \$240M+ for transportation, \$900M+ overall from federal tax/spending changes), continuing support for illegal immigrants, and competing needs like education, housing, and mental health, this diversion is unjustified when other providers qualify for federal matching.

Concerns with Funding Gender-Affirming Care

These providers often deliver gender-affirming services (e.g., hormone therapy), covered under Oregon Medicaid. Using state-only funds broadly here means taxpayers subsidize such care without federal support, inflating expenses further. Amid ongoing national debates over evidence, outcomes, and appropriateness—especially for youth—Oregon should avoid unilaterally sustaining or expanding these via costly state backfills when resources are scarce.

Undermines Federal Intent and Fiscal Discipline

Federal rules aim to avoid taxpayer support for abortion-providing entities (even if services are segregated under Hyde). Oregon's workaround nullifies this for targeted providers, creating moral hazard and precedent for overriding federal eligibility whenever inconvenient.

Alternatives Are Available

Medicaid recipients can obtain comparable non-abortion services from federally eligible providers, preserving matching funds and avoiding extra state spending. Retroactive payments prioritize specific clinics over system-wide needs.

In short, HB 4127 imposes avoidable millions in state costs to sustain select providers amid federal changes. This is particularly objectionable if state dollars enable or subsidize gender-affirming care without federal offset. Reject it for fiscally prudent options that respect limited resources and federal guidelines. This ideology nonsense has got to end. It serves no one, especially Oregonians who foot the bill for misguided, personal political views. It is not good for the state. Taxpayers are NOT MONEY TREES.