February 5, 2026

CareOregon Opposition to HB 4028

Chair Pham and Members of the House Committee on Behavioral Health,

CareOregon is a community non-profit organization serving members of the Oregon Health Plan (OHP) for 30 years. We currently manage OHP benefits for over 550,000 Oregonians. CareOregon wholly owns two coordinated care organizations (CCOs), Jackson Care Connect and Columbia Pacific CCO. We also are a founding member of Health Share of Oregon, managing an integrated community network and the behavioral health network for all Health Share of Oregon members. We also serve statewide through our tribal care coordination benefit. Our mission is to inspire and partner to create quality and equity in individual and community health.

While CareOregon is committed to reducing undue administrative burden on providers and has supported such legislation in past and current legislative sessions, we are unfortunately opposed to HB 4028. Federal fraud, waste, and abuse rules are designed to ensure that Medicaid program funds are protected, improper payments are identified and returned, and fraud investigations can be conducted with sufficient scope and flexibility. HB 4028 proposes state-level constraints on audits that conflict with the federal Medicaid integrity requirements CCOs and providers must comply with:

- The five-year lookback proposed in Section 4(4) would conflict with 42 CFR § 401.305, which requires a six-year lookback period for overpayment.
- Section 4(6) would not comply with 42 CFR § 401.305 and 42 CFR § 438.608, which requires a provider to return an overpayment to a CCO within 60 days of it being identified by an audit, commonly referred to as the "60-day rule". Any repayment plan between the provider and CCO must be satisfied within this timeframe. Additionally, requesting a revised audit based on a provider's "reason to believe" there was an error in the audit risks not meeting an evidentiary threshold to avoid False Claims Act liability if repayment is not made within 60 days.

Lastly, rulemaking timelines and processes are better suited for implementing technical, detailed, or evolving standards. Therefore, CareOregon does not believe it is appropriate to codify detailed billing and auditing processes in Oregon Revised Statute, especially where these processes are already addressed in the Oregon Administrative Rule (OAR) and CCO Contract. OAR Chapter 410, Division 172 already includes detailed requirements for behavioral health

Medicaid billing and documentation. OAR 407-120-0350, OAR 410-120-1397, and OAR 943-120-1505 already include detailed provisions regarding audits and recoupments for providers receiving Medicaid payments. CCO Contract Exhibit B, Part 9, sets forth detailed audit requirements for the CCOs, and the CCOs and OHA are obligated to comply with these provisions in accordance with federal regulations cited above.

CareOregon is always ready to engage with providers and the Oregon Health Authority on rulemaking that balances administrative burden with program accountability and integrity.

Sincerely,

Stefan Shearer
Senior Public Policy & Regulatory Affairs Specialist
CareOregon