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Thursday, February 5, 2026

Oregon House of Representatives
House Health Care Committee

Re: Opposition to HB 4003, -1 Amendments and Base Bill

Honorable Chair Nosse and Members of the Committee,

I am submitting what would have been my oral testimony had there been sufficient time during the February 3, 2026 hearing. Please note that these are my comments alone and do not include the testimony of the other members of the public who joined in opposition to this bill—individuals who collectively represent approximately 125 years of experience working with the Prioritized List.

We are saddened that these experts were not afforded the opportunity to present their full testimony and explain their significant structural and operational concerns regarding the impacts of HB 4003. I believe their full perspectives would have been invaluable in helping to explain the unintended consequences of the changes proposed by the Oregon Health Authority—consequences that will likely disproportionately impact providers and Oregon Health Plan members.

Below is the full testimony I had planned to present.

Thank you for taking the time to review these more comprehensive comments, which were already condensed out of respect for the committee's time. If you would like additional information, please do not hesitate to contact me directly at 503-508-5868.

Sincerely,
Josh Balloch
AllCare Health

Chair Nosse and members of the committee, for the record, my name is Josh Balloch, and I am here representing AllCare Health.

At its core, the debate over moving forward with HB 4003 is not about whether Oregon should comply with federal Medicaid law. We can—and we will. And importantly, CMS has now put that in writing.



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In direct correspondence with the state, CMS confirmed that Oregon may continue to use the Prioritized List to guide and define medical necessity under the State Plan, and that defining medical necessity remains a state responsibility. In other words, federal law does not require Oregon to abandon the Prioritized List or its core elements. The choice before you is a policy decision, not a federal mandate.

For more than three decades, the Prioritized List has been the backbone of the Oregon Health Plan. It is not a blunt instrument. It does not make automatic coverage or denial decisions. What it does—quietly and effectively—is provide a transparent, evidence-based, statewide framework so that medical necessity means the same thing in Medford as it does in Portland.

Without the critical elements of the Prioritized List, Oregon will rely almost entirely on “medical necessity”—a term already defined so broadly that it guarantees variation. Variation by CCO. Variation by reviewer. Variation by geography. And variation is not equity. It is exactly what drives more denials, more appeals, higher administrative costs, and slower access to care.

Most importantly, eliminating or weakening the Prioritized List erodes public trust. Today, coverage priorities are debated openly, guided by evidence, and stewarded by an independent commission. Under HB 4003, those same decisions would shift from a public, independent process to internal agency determinations that are far less transparent and far harder to challenge.

Since we heard today from the “Godfather of the Oregon Health Plan,” [Governor John Kitzhaber] I would like to share a brief story about my mentor and friend, Senator Dr. Alan Bates, who was truly an indispensable figure in the creation and stewardship of the Oregon Health Plan.

During a particularly difficult legislative session, I once asked him why he continued serving as a legislator while maintaining a successful physician practice. His answer was simple: “Josh, as a doctor I help hundreds of people stay healthy. As a legislator, I get to help hundreds of thousands.”

That perspective matters here. Policymakers are sometimes just as critical to people’s health as the outstanding providers who testified today. Decisions like this shape care for hundreds of thousands of Oregonians at once.

Eliminating the Prioritized List—or stripping away its core functions—would represent a fundamental change to the Oregon Health Plan. CMS has explicitly confirmed that Oregon can keep what works. The responsibility now is to use that permission wisely.



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If changes are needed to align authority with the State Plan, that is a reason for targeted reform—not reinvention. At a minimum, it means preserving the essential functions of the Prioritized List while making only those changes strictly necessary for State Plan compliance.

As we move into this next phase, we should follow the same ethic our providers live by every day: fully vet our decisions and, above all, do no harm to the 1.4 million Oregonians who depend on the Oregon Health Plan for their health care.

Thank you for your time and consideration of this significant and far-reaching change to the Oregon Health Plan.



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