

HB 2597 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/11

WHAT THE MEASURE DOES:

The measure directs the Oregon Health Authority (OHA) to increase the reimbursement rate for dental care organizations (DCOs).

Detailed Summary

- Directs OHA to establish DCO reimbursement rates at no less than 59.8 percent of the national average rate paid by insurers. Specifies how the rate will be determined and what dental services will be reimbursed at the rate. Directs OHA to review the reimbursement rates annually and revise as needed and to report to the interim committees of the Legislative Assembly biannually regarding utilization of dental services.
- Directs coordinated care organizations (CCOs) to reimburse DCOs at the rates established by OHA.
- Becomes operative on January 1st, 2026. Takes effect on the 91st day after sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Health Plan (OHP), Oregon's state Medicaid program, was first implemented in 1994 and has continued to evolve in response to health systems reform efforts in the years since. The OHP coordinated care organization (CCO) model was established in 2012 through the passage of House Bill 3650 (2011) and Senate Bill 1580 (2012). The CCO model features a focus on primary care and prevention, providing a range of health services to their members, including physical, oral, and behavioral health care, either directly or through local and regional partnerships. Currently, there are sixteen CCOs operating regionally across Oregon, serving more 92% of Oregon's nearly 1.5 million OHP members.

All OHP members have access to diagnostic and preventive dental [care](#) as part of their plan benefits. CCO members receive dental coverage in two primary ways, either through a local dental plan delivered through a dental care organization (DCO), or as fee-for-service (FFS) coverage. Beginning in 2023, OHP transitioned away from contracting directly with DCOs, instead requiring CCOs to contract with DCOs and manage dental care for their members. The Oregon Health Authority (OHA) has the authority to change reimbursement rates for CCO dental services, increasing rates for FFS dental codes between October 2023 and January 2024. Additionally, OHA received approval from the Centers for Medicare and Medicaid Services (CMS) to implement three dental directed payments (DDPs) for CCOs beginning in contract year 2025. DDPs are bundled payments for some dental services, including incentives for new providers, retention of existing providers, and to increase access to dental services.

House Bill 2597 directs OHA to increase the reimbursement rate for DCOs.