

SB 609 -1 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 2/25, 4/3

WHAT THE MEASURE DOES:

The measure establishes minimum reimbursement rates for primary care, behavioral health, dental care, and optometry services covered by the Oregon Health Plan (OHP).

DETAILED SUMMARY:

- Directs the Oregon Health Authority (OHA) to establish minimum reimbursement rates.
 - For primary and optometry care, the minimum rate is a conversion factor of \$85 multiplied by the resource-based relative value unit assigned to the service code in the Medicare Physician Payment Schedule.
 - For dental care, the minimum rate is higher rate of a conversion factor of \$85 multiplied by the resource based relative value unit, or 100 percent of the average health insurer reimbursement rate for the service.
 - For behavioral health services. The minimum rate is a conversion factor of \$85 multiplied by the resource based relative value unit, or 150 percent of the average health insurer reimbursement rate for the service.
 - Rates will increase by 3.4 percent every year after 2026.
- Requires Coordinated Care Organizations (CCOs) to pay providers no less than the minimum rates set by OHA, allowing for alternative payment methods so long as they are at or above minimum reimbursement rates.
- Directs OHA to secure federal financial participation. Prohibits use of General Fund.
- Directs OHA to report back to the Legislative Assembly by December 31, 2031, on wait times, employment of traditional health workers, health outcomes and equity, and cost savings.
- Becomes operative upon federal approval.

Fiscal impact: Fiscal impact issued.

Revenue impact: No revenue impact.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Removes conversion rate provisions and specifies that reimbursement for primary care, optometry, dental care, and behavioral health care will be reimbursed at no less than the average rates paid by health insurers, adjusted for inflation.

BACKGROUND:

The Oregon Health Plan is funded jointly by the federal government and the State of Oregon. States establish Medicaid provider payment rates within federal requirements. Resource-based Relative Value Scale (RBRVS) is a payment system based on the principle that payments should reflect resource costs, including physician work, practice expense, and professional liability insurance—multiplied by a conversion factor that is adjusted for geographical differences.

In 2019, OHA developed the Value-based Payment (VBP) Roadmap for Coordinated Care Organizations (CCOs). Requirements included development of new VBP models in specific care areas, including incentives for quality of services and health outcomes. Individual CCOs determine the types of VBP arrangements to implement with contracted providers. In 2024, CCOs were required to make 70 percent of provider payments using qualifying

This summary has not been adopted or officially endorsed by action of the committee.

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VBP arrangements. ([Link](#) to 2023 Oregon's VBP Roadmap Report/[Link](#) to OHA's VBP Roadmap site). Other payment arrangements include fee-for-service, risk-based payments, and capitated payments.

Senate Bill 609 would require OHA to implement minimum reimbursement rates for primary care, behavioral health, dental care, and optometry services.

Summary prepared by ALEYSÁ GARCÍA RIVAS.