



Legislative Fiscal Office  
83<sup>rd</sup> Oregon Legislative Assembly  
2026 Regular Session

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**Bill Title:** Relating to Medicaid payments to reproductive health care providers; declaring an emergency.

**Government Unit(s) Affected:** Oregon Health Authority

**Summary of Fiscal Impact:**

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 8,900,000	\$ -	\$ -	\$ (8,010,000)	\$ 890,000	-	-
<b>Total Fiscal Impact</b>	<b>\$ 8,900,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (8,010,000)</b>	<b>\$ 890,000</b>	<b>-</b>	<b>-</b>
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

- Fiscal impact reflects one year of costs from July 1, 2024, through June 30, 2025

**Measure Description**

The measure directs the Oregon Health Authority (OHA) to establish a fee-for-service payment mechanism for services provided to medical assistance recipients by certain nonprofit reproductive health care providers, which are defined as “prohibited entities”. OHA must update billing and claims processing systems as necessary, ensure provider enrollment and credentialing requirements align with current standards, and conduct a rate analysis at least once each biennium to ensure payment rates promote access to reproductive health services.

The provisions of the measure apply to claims for payment made on or after July 4, 2024, if the claim was not eligible for a federal match and the provider has yet to receive payment for the claim. A coordinated care organization (CCO) may also recover overpayment for claims during this period, subject to the provisions of the measure.

Finally, if a state or federal rule or regulation is adopted or enacted that prohibits one of these providers from enrolling in the state medical assistance program, OHA is directed to implement a grant program to support these providers. The grants will be the equivalent to the funding amount that a provider would receive in OHA's fee-for-service payment system. OHA is prohibited from using Federal Funds for these grants.

**Fiscal Analysis**

The fiscal impact on OHA is estimated to be \$8.9 million General Fund, with a corresponding reduction of \$8 million Federal Fund expenditure limitation. Federal House Resolution 1 (H.R.1) prohibited federal funds from being used by “prohibited entities” from July 1, 2024, through June 30, 2025, this fiscal impact reflects the remaining funds needed to replace federal funding for this time period.

The estimated one-year cost to replace federal funding for these services is \$16.4 million General Fund, supporting services for 75,611 individuals. Of the total, \$14.7 million is the cost of non-abortion Oregon Health Plan claims, and \$1.6 million is the cost of claims from Oregon ContraceptiveCare. In November, the Emergency Board provided OHA with \$7.5 million General Fund to pay for a portion of these costs. The remaining \$8.9 million General Fund will satisfy the costs of remaining payments. Of the total, \$8 million will go to the Oregon Health Plan and \$890,000 will go to Oregon ContraceptiveCare.

OHA has confirmed that modifications to billing and claims processing systems, as required by the measure, have already been completed. Should the federal government extend or make permanent the one-year prohibition of funding for prohibited entities, or the state adopt a similar prohibition, the funds originally allocated for fee-for-service reimbursement will be used to fund the grant program described in the measure.

**Relevant Dates**

Applies to claims for payment subject to the provisions of this measure made on or after July 4, 2025.

CCOs can recover overpayments for paid claims subject to provisions of this measure for payments made between July 4, 2025, and the Operative date of the measure.

The CCO overpayment provisions is repealed on January 2, 2028.

Section 6 becomes operative the same day related state or federal legislation is enacted or adopted.

The measure declares an emergency and takes effect on passage.