

A-Engrossed

House Bill 4127

Ordered by the House February 17
Including House Amendments dated February 17

Sponsored by Representatives BOWMAN, ANDERSEN, Senator PATTERSON, Representatives CHAICHI, CHOTZEN, DOBSON, NOSSE, RIEKE SMITH, Senators CAMPOS, FREDERICK, PROZANSKI; Representatives FRAGALA, GAMBA, GOMBERG, GRAYBER, HUDSON, JAVADI, MARSH, MUÑOZ, NATHANSON, NELSON, PHAM H, WALTERS, WISE, Senators GELSER BLOUIN, GOLDEN, JAMA, NERON MISSLIN, PHAM K (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act allows OHA to pay health care providers that may not receive federal Medicaid funds. The Act requires OHA to pay providers using only state funds. (Flesch Readability Score: 62.7).

Requires the Oregon Health Authority to adopt a payment mechanism to pay certain nonprofit reproductive health care providers that are not eligible to receive federal Medicaid funds for services provided to medical assistance recipients. Applies to claims for payment for services provided on or after July 4, 2025, if the claim is not eligible for federal financial participation and has not yet been paid.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to Medicaid payments to reproductive health care providers; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS chapter 414.

SECTION 2. (1) As used in this section, “prohibited entity” means a nonprofit reproductive health care provider that is:

(a) Enrolled in the state medical assistance program; and

(b) Not eligible to receive federal Medicaid funds.

(2) The Oregon Health Authority shall adopt a payment mechanism to pay prohibited entities on a fee-for-service basis for services provided to medical assistance recipients.

(3) The authority shall have sole responsibility to pay a prohibited entity under this section, including for services provided to a member of a coordinated care organization.

(4) The authority may not pay a prohibited entity under this section using federal Medicaid funds.

(5) In adopting the payment mechanism described in subsection (2) of this section, the authority shall:

(a) Update, as necessary, the authority’s billing and claims processing systems; and

(b) Ensure that provider enrollment and credentialing requirements for prohibited entities align with existing standards in the state medical assistance program.

(6) At least once each biennium, the authority shall conduct a rate analysis to ensure that the rates paid to a prohibited entity under this section are adequate to promote access to reproductive health services.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 3.** Section 2 of this 2026 Act applies to claims for payment in the state medical
2 assistance program for services provided by a prohibited entity on or after July 4, 2025, if:
3 (1) The claim is not eligible for federal financial participation; and
4 (2) The prohibited entity has not yet received payment on the claim.

5 **SECTION 4.** (1) As used in this section:

6 (a) "Coordinated care organization" has the meaning given that term in ORS 414.025.
7 (b) "Prohibited entity" has the meaning given that term in section 2 of this 2026 Act.
8 (2) If a coordinated care organization paid a claim submitted by a prohibited entity be-
9 tween July 4, 2025, and the effective date of this 2026 Act, the coordinated care organization
10 may recover an overpayment on the claim for routine business reasons but may not recover
11 payment on the claim solely on the basis that the prohibited entity is not eligible to receive
12 federal Medicaid funds.

13 **SECTION 5.** Section 4 of this 2026 Act is repealed on January 2, 2028.

14 **SECTION 6.** (1) As used in this section:

15 (a) "Medical assistance" has the meaning given that term in ORS 414.025.
16 (b) "Prohibited entity" means a nonprofit reproductive health care provider that:
17 (A) Received more than \$800,000 in Medicaid reimbursements in 2023; and
18 (B) Is not eligible to receive federal Medicaid funds.
19 (2) The Oregon Health Authority shall implement a grant program to support prohibited
20 entities in covering the costs of providing services to medical assistance recipients. To the
21 extent practicable, the amount of a grant awarded under this section shall be equivalent to
22 the funding amount that a prohibited entity would receive in the authority's fee-for-service
23 payment system.

24 (3) The authority may not award grants under this section using federal Medicaid funds.

25 **SECTION 7.** (1) Section 6 of this 2026 Act becomes operative only if a state or federal law,
26 rule, regulation or other government action is enacted, adopted or taken that prohibits a
27 prohibited entity, as defined in section 2 of this 2026 Act, from maintaining enrollment in the
28 state medical assistance program.

29 (2) If a state or federal law, rule, regulation or other government action described in
30 subsection (1) of this section is enacted, adopted or taken, section 6 of this 2026 Act becomes
31 operative on the effective date of that law, rule, regulation or other government action.

32 (3) The Oregon Health Authority shall immediately notify the Legislative Counsel if a
33 state or federal law, rule, regulation or other government action described in subsection (1)
34 of this section is enacted, adopted or taken.

35 **SECTION 8.** This 2026 Act being necessary for the immediate preservation of the public
36 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect
37 on its passage.