

HB 4003-3
(LC 91)
2/9/26 (RH/ps)

Requested by Representative NOSSE

**PROPOSED AMENDMENTS TO
HOUSE BILL 4003**

1 On page 1 of the printed bill, line 2, after “414.065,” insert “414.225,”.

2 In line 3, delete “414.689,”.

3 Delete lines 6 through 27 and delete pages 2 through 19 and insert:

4 **“SECTION 1. ORS 414.025 is amended to read:**

5 “414.025. As used in this chapter and ORS chapters 411 and 413, unless
6 the context or a specially applicable statutory definition requires otherwise:

7 “(1)(a) ‘Alternative payment methodology’ means a payment other than a
8 fee-for-services payment, used by coordinated care organizations as compen-
9 sation for the provision of integrated and coordinated health care and ser-
10 vices.

11 “(b) ‘Alternative payment methodology’ includes, but is not limited to:

12 “(A) Shared savings arrangements;

13 “(B) Bundled payments; and

14 “(C) Payments based on episodes.

15 “(2) ‘Behavioral health assessment’ means an evaluation by a behavioral
16 health clinician, in person or using telemedicine, to determine a patient’s
17 need for immediate crisis stabilization.

18 “(3) ‘Behavioral health clinician’ means:

19 “(a) A licensed psychiatrist;

20 “(b) A licensed psychologist;

21 “(c) A licensed nurse practitioner with a specialty in psychiatric mental

1 health;

2 “(d) A licensed clinical social worker;

3 “(e) A licensed professional counselor or licensed marriage and family

4 therapist;

5 “(f) A certified clinical social work associate;

6 “(g) An intern or resident who is working under a board-approved super-

7 visory contract in a clinical mental health field; or

8 “(h) Any other clinician whose authorized scope of practice includes

9 mental health diagnosis and treatment.

10 “(4) ‘Behavioral health crisis’ means a disruption in an individual’s men-

11 tal or emotional stability or functioning resulting in an urgent need for im-

12 mediate outpatient treatment in an emergency department or admission to

13 a hospital to prevent a serious deterioration in the individual’s mental or

14 physical health.

15 “(5) ‘Behavioral health home’ means a mental health disorder or sub-

16 stance use disorder treatment organization, as defined by the Oregon Health

17 Authority by rule, that provides integrated health care to individuals whose

18 primary diagnoses are mental health disorders or substance use disorders.

19 “(6) ‘Category of aid’ means assistance provided by the Oregon Supple-

20 mental Income Program, aid granted under ORS 411.877 to 411.896 and

21 412.001 to 412.069 or federal Supplemental Security Income payments.

22 “(7) ‘Community health worker’ means an individual who meets quali-

23 fication criteria adopted by the authority under ORS 414.665 and who:

24 “(a) Has expertise or experience in public health;

25 “(b) Works in an urban or rural community, either for pay or as a vol-

26 unteer in association with a local health care system;

27 “(c) To the extent practicable, shares ethnicity, language, socioeconomic

28 status and life experiences with the residents of the community the worker

29 serves;

30 “(d) Assists members of the community to improve their health and in-

1 creases the capacity of the community to meet the health care needs of its
2 residents and achieve wellness;

3 “(e) Provides health education and information that is culturally appro-
4 priate to the individuals being served;

5 “(f) Assists community residents in receiving the care they need;

6 “(g) May give peer counseling and guidance on health behaviors; and

7 “(h) May provide direct services such as first aid or blood pressure
8 screening.

9 “(8) ‘Coordinated care organization’ means an organization meeting cri-
10 teria adopted by the Oregon Health Authority under ORS 414.572.

11 “(9) ‘Dental subcontractor’ means a prepaid managed care health services
12 organization that enters into a noncomprehensive risk contract with a coor-
13 dinated care organization or the Oregon Health Authority to provide dental
14 services to medical assistance recipients.

15 “(10) ‘Doula’ means a trained professional who provides continuous phys-
16 ical, emotional and informational support to an individual during pregnancy,
17 labor and delivery or the postpartum period to help the individual achieve
18 the healthiest and most satisfying experience possible.

19 “(11) ‘Dually eligible for Medicare and Medicaid’ means, with respect to
20 eligibility for enrollment in a coordinated care organization, that an indi-
21 vidual is eligible for health services funded by Title XIX of the Social Se-
22 curity Act and is:

23 “(a) Eligible for or enrolled in Part A of Title XVIII of the Social Security
24 Act; or

25 “(b) Enrolled in Part B of Title XVIII of the Social Security Act.

26 “(12)(a) ‘Family support specialist’ means an individual who meets quali-
27 fication criteria adopted by the authority under ORS 414.665 and who pro-
28 vides supportive services to and has experience parenting a child who:

29 “(A) Is a current or former consumer of mental health or addiction
30 treatment; or

1 “(B) Is facing or has faced difficulties in accessing education, health and
2 wellness services due to a mental health or behavioral health barrier.

3 “(b) A ‘family support specialist’ may be a peer wellness specialist or a
4 peer support specialist.

5 “(13) ‘Global budget’ means a total amount established prospectively by
6 the Oregon Health Authority to be paid to a coordinated care organization
7 for the delivery of, management of, access to and quality of the health care
8 delivered to members of the coordinated care organization.

9 “(14) ‘Health insurance exchange’ or ‘exchange’ means an American
10 Health Benefit Exchange described in 42 U.S.C. 18031, 18032, 18033 and 18041.

11 “(15) ‘Health services’ means [*at least so much of*] each of the following
12 [*as are*] **services, to the extent** funded by the Legislative Assembly [*based*
13 *upon the prioritized list of health services compiled by the Health Evidence*
14 *Review Commission under ORS 414.690*]:

15 “(a) Services required by federal law to be included in the state’s medical
16 assistance program in order for the program to qualify for federal funds;

17 “(b) Services provided by a physician as defined in ORS 677.010, a nurse
18 practitioner licensed under ORS 678.375, a behavioral health clinician or
19 other licensed practitioner within the scope of the practitioner’s practice as
20 defined by state law, and ambulance services;

21 “(c) Prescription drugs;

22 “(d) Laboratory and X-ray services;

23 “(e) Medical equipment and supplies;

24 “(f) Mental health services;

25 “(g) Chemical dependency services;

26 “(h) Emergency dental services;

27 “(i) Nonemergency dental services;

28 “(j) Provider services, other than services described in paragraphs (a) to
29 (i), (k), (L) and (m) of this subsection, defined by federal law that may be
30 included in the state’s medical assistance program;

1 “(k) Emergency hospital services;

2 “(L) Outpatient hospital services; and

3 “(m) Inpatient hospital services.

4 “(16) ‘Income’ has the meaning given that term in ORS 411.704.

5 “(17)(a) ‘Integrated health care’ means care provided to individuals and
6 their families in a patient centered primary care home or behavioral health
7 home by licensed primary care clinicians, behavioral health clinicians and
8 other care team members, working together to address one or more of the
9 following:

10 “(A) Mental illness.

11 “(B) Substance use disorders.

12 “(C) Health behaviors that contribute to chronic illness.

13 “(D) Life stressors and crises.

14 “(E) Developmental risks and conditions.

15 “(F) Stress-related physical symptoms.

16 “(G) Preventive care.

17 “(H) Ineffective patterns of health care utilization.

18 “(b) As used in this subsection, ‘other care team members’ includes but
19 is not limited to:

20 “(A) Qualified mental health professionals or qualified mental health as-
21 sociates meeting requirements adopted by the Oregon Health Authority by
22 rule;

23 “(B) Peer wellness specialists;

24 “(C) Peer support specialists;

25 “(D) Community health workers who have completed a state-certified
26 training program;

27 “(E) Personal health navigators; or

28 “(F) Other qualified individuals approved by the Oregon Health Author-
29 ity.

30 “(18) ‘Investments and savings’ means cash, securities as defined in ORS

1 59.015, negotiable instruments as defined in ORS 73.0104 and such similar
2 investments or savings as the department or the authority may establish by
3 rule that are available to the applicant or recipient to contribute toward
4 meeting the needs of the applicant or recipient.

5 “(19) ‘Medical assistance’ means so much of the medical, mental health,
6 preventive, supportive, palliative and remedial care and services as may be
7 prescribed by the authority according to the standards established pursuant
8 to ORS 414.065, including premium assistance under ORS 414.115 and 414.117,
9 payments made for services provided under an insurance or other contractual
10 arrangement and money paid directly to the recipient for the purchase of
11 health services and for services described in ORS 414.710.

12 “(20) ‘Medical assistance’ includes any care or services for any individual
13 who is a patient in a medical institution or any care or services for any in-
14 dividual who has attained 65 years of age or is under 22 years of age, and
15 who is a patient in a private or public institution for mental diseases. Except
16 as provided in ORS 411.439 and 411.447, ‘medical assistance’ does not include
17 care or services for a resident of a nonmedical public institution.

18 “(21) ‘Mental health drug’ means a type of legend drug, as defined in ORS
19 414.325, specified by the Oregon Health Authority by rule, including but not
20 limited to:

21 “(a) Therapeutic class 7 ataractics-tranquilizers; and

22 “(b) Therapeutic class 11 psychostimulants-antidepressants.

23 “(22) ‘Patient centered primary care home’ means a health care team or
24 clinic that is organized in accordance with the standards established by the
25 Oregon Health Authority under ORS 414.655 and that incorporates the fol-
26 lowing core attributes:

27 “(a) Access to care;

28 “(b) Accountability to consumers and to the community;

29 “(c) Comprehensive whole person care;

30 “(d) Continuity of care;

1 “(e) Coordination and integration of care; and

2 “(f) Person and family centered care.

3 “(23) ‘Peer support specialist’ means any of the following individuals who
4 meet qualification criteria adopted by the authority under ORS 414.665 and
5 who provide supportive services to a current or former consumer of mental
6 health or addiction treatment:

7 “(a) An individual who is a current or former consumer of mental health
8 treatment; or

9 “(b) An individual who is in recovery, as defined by the Oregon Health
10 Authority by rule, from an addiction disorder.

11 “(24) ‘Peer wellness specialist’ means an individual who meets qualifica-
12 tion criteria adopted by the authority under ORS 414.665 and who is re-
13 sponsible for assessing mental health and substance use disorder service and
14 support needs of a member of a coordinated care organization through com-
15 munity outreach, assisting members with access to available services and
16 resources, addressing barriers to services and providing education and in-
17 formation about available resources for individuals with mental health or
18 substance use disorders in order to reduce stigma and discrimination toward
19 consumers of mental health and substance use disorder services and to assist
20 the member in creating and maintaining recovery, health and wellness.

21 “(25) ‘Person centered care’ means care that:

22 “(a) Reflects the individual patient’s strengths and preferences;

23 “(b) Reflects the clinical needs of the patient as identified through an
24 individualized assessment; and

25 “(c) Is based upon the patient’s goals and will assist the patient in
26 achieving the goals.

27 “(26) ‘Personal health navigator’ means an individual who meets quali-
28 fication criteria adopted by the authority under ORS 414.665 and who pro-
29 vides information, assistance, tools and support to enable a patient to make
30 the best health care decisions in the patient’s particular circumstances and

1 in light of the patient's needs, lifestyle, combination of conditions and de-
2 sired outcomes.

3 “(27) ‘Prepaid managed care health services organization’ means a man-
4 aged dental care, mental health or chemical dependency organization that
5 contracts with the authority under ORS 414.654 or with a coordinated care
6 organization on a prepaid capitated basis to provide health services to med-
7 ical assistance recipients.

8 “(28) ‘Quality measure’ means the health outcome and quality measures
9 and benchmarks identified by the Health Plan Quality Metrics Committee
10 and the metrics and scoring subcommittee in accordance with ORS 413.017
11 (4) and 413.022 and the quality metrics developed by the Behavioral Health
12 Committee in accordance with ORS 413.017 (5).

13 “(29)(a) ‘Quality of life in general measure’ means an assessment of the
14 value, effectiveness or cost-effectiveness of a treatment that gives greater
15 value to a year of life lived in perfect health than the value given to a year
16 of life lived in less than perfect health.

17 “(b) ‘Quality of life in general measure’ does not mean an assessment of
18 the value, effectiveness or cost-effectiveness of a treatment during a clinical
19 trial in which a study participant is asked to rate the participant's physical
20 function, pain, general health, vitality, social functions or other similar do-
21 mains.

22 “(30) ‘Resources’ has the meaning given that term in ORS 411.704. For
23 eligibility purposes, ‘resources’ does not include charitable contributions
24 raised by a community to assist with medical expenses.

25 “(31) ‘Social determinants of health’ means:

26 “(a) Nonmedical factors that influence health outcomes;

27 “(b) The conditions in which individuals are born, grow, work, live and
28 age; and

29 “(c) The forces and systems that shape the conditions of daily life, such
30 as economic policies and systems, development agendas, social norms, social

1 policies, racism, climate change and political systems.

2 “(32) ‘Tribal traditional health worker’ means an individual who meets
3 qualification criteria adopted by the authority under ORS 414.665 and who:

4 “(a) Has expertise or experience in public health;

5 “(b) Works in a tribal community or an urban Indian community, either
6 for pay or as a volunteer in association with a local health care system;

7 “(c) To the extent practicable, shares ethnicity, language, socioeconomic
8 status and life experiences with the residents of the community the worker
9 serves;

10 “(d) Assists members of the community to improve their health, including
11 physical, behavioral and oral health, and increases the capacity of the com-
12 munity to meet the health care needs of its residents and achieve wellness;

13 “(e) Provides health education and information that is culturally appro-
14 priate to the individuals being served;

15 “(f) Assists community residents in receiving the care they need;

16 “(g) May give peer counseling and guidance on health behaviors; and

17 “(h) May provide direct services, such as tribal-based practices.

18 “(33)(a) ‘Youth support specialist’ means an individual who meets quali-
19 fication criteria adopted by the authority under ORS 414.665 and who, based
20 on a similar life experience, provides supportive services to an individual
21 who:

22 “(A) Is not older than 30 years of age; and

23 “(B)(i) Is a current or former consumer of mental health or addiction
24 treatment; or

25 “(ii) Is facing or has faced difficulties in accessing education, health and
26 wellness services due to a mental health or behavioral health barrier.

27 “(b) A ‘youth support specialist’ may be a peer wellness specialist or a
28 peer support specialist.

29 **“SECTION 2.** ORS 414.065 is amended to read:

30 “414.065. (1)(a) Consistent with ORS 414.690, 414.710, 414.712 and 414.766

1 and other statutes governing the provision of and payments for health ser-
2 vices in medical assistance, the Oregon Health Authority shall [*determine*],
3 subject to such revisions as it may make from time to time and to legislative
4 funding:

5 “(A) **Determine** the types and extent of health services to be provided to
6 each eligible group of recipients of medical assistance **in accordance with**
7 **federal laws governing mandatory and optional state medical assist-**
8 **ance services.**

9 “(B) **Establish by rule** standards, including outcome and quality meas-
10 ures, to be observed in the provision of health services.

11 “(C) **Determine** the number of days of health services toward the cost
12 of which medical assistance funds will be expended in the care of any person.

13 “(D) **Establish** reasonable fees, charges, daily rates and global payments
14 for meeting the costs of providing health services to an applicant or recipi-
15 ent.

16 “(E) **Establish** reasonable fees for professional medical and dental ser-
17 vices which may be based on usual and customary fees in the locality for
18 similar services.

19 “(F) **Determine** the amount and application of any copayment or other
20 similar cost-sharing payment that the authority may require a recipient to
21 pay toward the cost of health services.

22 “(b) The authority shall adopt rules:

23 “(A) Establishing timelines for payment of health services under para-
24 graph (a) of this subsection.

25 “(B) **Defining the role of the prioritized list of health services de-**
26 **veloped under ORS 414.690 in determining the extent of health services**
27 **to be provided to medical assistance recipients, including the role of**
28 **the prioritized list in supporting the hearings and appeals processes**
29 **and allowing for individual medical review.**

30 “(2) In [*making the determinations*] **performing the actions** under sub-

1 section (1) of this section and in the imposition of any utilization controls
2 on access to health services, the authority may not consider a quality of life
3 in general measure, either directly or by considering a source that relies on
4 a quality of life in general measure.

5 “(3) The types and extent of health services and the amounts to be paid
6 in meeting the costs thereof, as determined and fixed by the authority and
7 within the limits of funds available therefor, shall be the total available for
8 medical assistance, and payments for such medical assistance shall be the
9 total amounts from medical assistance funds available to providers of health
10 services in meeting the costs thereof.

11 “(4) Except for payments under a cost-sharing plan, payments made by the
12 authority for medical assistance shall constitute payment in full for all
13 health services for which such payments of medical assistance were made.

14 “(5) Notwithstanding subsection (1) of this section, the Department of
15 Human Services shall be responsible for determining the payment for
16 Medicaid-funded long term care services and for contracting with the pro-
17 viders of long term care services.

18 “(6) In determining a global budget for a coordinated care organization:

19 “(a) The allocation of the payment, the risk and any cost savings shall
20 be determined by the governing body of the organization;

21 “(b) The authority shall consider the community health assessment con-
22 ducted by the organization in accordance with ORS 414.577 and reviewed
23 annually, and the organization’s health care costs; and

24 “(c) The authority shall take into account the organization’s provision
25 of innovative, nontraditional health services.

26 “(7) Under the supervision of the Governor, the authority may work with
27 the Centers for Medicare and Medicaid Services to develop, in addition to
28 global budgets, payment streams:

29 “(a) To support improved delivery of health care to recipients of medical
30 assistance; and

1 “(b) That are funded by coordinated care organizations, counties or other
2 entities other than the state whose contributions qualify for federal matching
3 funds under Title XIX or XXI of the Social Security Act.

4 **“SECTION 3.** ORS 414.690 is amended to read:

5 “414.690. (1) The Health Evidence Review Commission shall regularly so-
6 licit testimony and information from [*stakeholders*] **interested parties** re-
7 presenting consumers, advocates, providers, carriers and employers in
8 conducting the work of the commission.

9 “(2) The commission shall actively solicit public involvement through a
10 public meeting process to guide health resource allocation decisions that
11 includes, but is not limited to:

12 “(a) Providing members of the public the opportunity to provide input on
13 the selection of any vendor that provides research and analysis to the com-
14 mission; and

15 “(b) Inviting public comment on any research or analysis tool or health
16 economic measures to be relied upon by the commission in the commission’s
17 decision-making.

18 “(3)(a) The commission shall develop and maintain a **prioritized** list of
19 health services [*ranked by priority, from the most important to the least im-*
20 *portant, representing the comparative benefits of each service to the population*
21 *to be served*] **that includes:**

22 **“(A) Diagnosis and treatment code pairings that indicate which**
23 **health services are medically necessary for which conditions; and**

24 **“(B) Coverage guidelines that shall be used as clinical practice**
25 **guidelines for the state medical assistance program and shall further**
26 **define which health services are medically necessary for which condi-**
27 **tions.**

28 **“(b) The list developed under this section must be consistent with**
29 **the definition of medical necessity established by the Oregon Health**
30 **Authority by rule and with federal laws governing mandatory and op-**

1 **tional state medical assistance services.**

2 “[*(b)*] (c) Except as provided in ORS 414.701, the commission may not rely
3 upon any quality of life in general measures, either directly or by consider-
4 ing research or analysis that relies on a quality of life in general measure,
5 in determining:

6 “(A) Whether a service is cost-effective;

7 “(B) Whether a service is recommended; or

8 “(C) The value of a service.

9 “[*(c)*] (d) The list must be submitted by the commission pursuant to sub-
10 section (5) of this section and is not subject to alteration by any other state
11 agency.

12 “(4) In order to encourage effective and efficient medical evaluation and
13 treatment, the commission:

14 “(a) [*May include clinical practice guidelines in its prioritized list of ser-*
15 *vices. The commission*] Shall actively solicit testimony and information from
16 the medical community and the public to build a consensus on clinical
17 practice guidelines developed by the commission.

18 “(b) May include statements of intent in its prioritized list of **health**
19 services. Statements of intent should give direction on coverage decisions
20 where medical codes and clinical practice guidelines cannot convey the in-
21 tent of the commission.

22 “(c) Shall consider both the clinical effectiveness and cost-effectiveness
23 of health services, including drug therapies, in determining their [*relative*
24 *importance using peer-reviewed medical literature*] **medical necessity**.

25 “(5) The commission shall report the prioritized list of **health** services to
26 the Oregon Health Authority for budget determinations by July 1 of each
27 even-numbered year.

28 “(6) The commission shall make its report during each regular session of
29 the Legislative Assembly and shall submit a copy of its report to the Gov-
30 ernor, the Speaker of the House of Representatives and the President of the

Senate and post to the Oregon Health Authority's website, along with a solicitation of public comment, an assessment of the impact on access to medically necessary treatment and services by persons with disabilities or chronic illnesses resulting from the commission's prior use of any quality of life in general measures or any research or analysis that referred to or relied upon a quality of life in general measure.

"(7) The commission may alter the **prioritized list of health services** during the interim only as follows:

"(a) To make technical changes to correct errors and omissions;

"(b) To accommodate changes due to advancements in medical technology or new data regarding health outcomes;

"(c) To accommodate changes to clinical practice guidelines; and

"(d) To add **or modify** statements of intent that clarify the prioritized list **of health services**.

"[(8) If a service is deleted or added during an interim and no new funding is required, the commission shall report to the Speaker of the House of Representatives and the President of the Senate. However, if a service to be added requires increased funding to avoid discontinuing another service, the commission shall report to the Emergency Board to request the funding.]

"(8) If, during an interim, the commission makes any change to the list developed under this section, the commission shall report the change to the authority. If the change requires increased funding, the authority may request additional funding from the Emergency Board.

"(9) The prioritized list of **health** services remains in effect for a two-year period beginning no earlier than October 1 of each odd-numbered year.

"[(10)(a) As used in this section, 'peer-reviewed medical literature' means scientific studies printed in journals or other publications that publish original manuscripts only after the manuscripts have been critically reviewed by unbiased independent experts for scientific accuracy, validity and reliability.]

"[(b) 'Peer-reviewed medical literature' does not include internal publica-

1 *tions of pharmaceutical manufacturers.]*

2 **“SECTION 4.** ORS 414.701 is amended to read:

3 *“414.701. [(1) As used in this section, ‘peer-reviewed medical literature’ has*
4 *the meaning given that term in ORS 414.690.]*

5 **“(1) As used in this section:**

6 **“(a) ‘Peer-reviewed medical literature’ means scientific studies**
7 **printed in journals or other publications that publish original manu-**
8 **scripts only after the manuscripts have been critically reviewed by**
9 **unbiased independent experts for scientific accuracy, validity and re-**
10 **liability.**

11 **“(b) ‘Peer-reviewed medical literature’ does not include internal**
12 **publications of pharmaceutical manufacturers.**

13 **“(2) The Health Evidence Review Commission, in [*ranking health services***
14 ***or developing guidelines*] **developing the prioritized list of health services****
15 **under ORS 414.690 or in assessing medical technologies under ORS 414.698,**
16 **and the Pharmacy and Therapeutics Committee, in considering a recommen-**
17 **dation for a drug to be included on any preferred drug list or on the**
18 **Practitioner-Managed Prescription Drug Plan:**

19 **“(a) May not rely solely on the results of comparative effectiveness re-**
20 **search but must evaluate a range of research and analysis, including peer-**
21 **reviewed medical literature that:**

22 **“(A) Studies health outcomes that are priorities for persons with disabil-**
23 **ities who experience specific diseases or illnesses, through surveys or other**
24 **methods of identifying priority outcomes for individuals who experience the**
25 **diseases or illnesses;**

26 **“(B) Studies subgroups of patients who experience specific diseases or**
27 **illnesses, to ensure consideration of any important differences and clinical**
28 **characteristics applicable to the subgroups; and**

29 **“(C) Considers the full range of relevant, peer-reviewed medical literature**
30 **and avoids harm to patients caused by undue emphasis on evidence that is**

1 deemed inconclusive of clinical differences without further investigation.

2 “(b) May consider research or analyses that reference a quality of life in
3 general measure only if:

4 “(A) The staff of the commission includes an individual who:

5 “(i) Is trained in identifying bias and discrimination in medical research
6 and analyses;

7 “(ii) Is not involved in research evaluation and recommendations for a
8 given condition-treatment pair on the prioritized list **of health services**
9 subject to the commission’s review; and

10 “(iii) Determines that any of a researcher’s conclusions and analyses
11 about the value or cost-effectiveness of a treatment, that were relied upon
12 by the staff of the commission in making a recommendation regarding the
13 treatment, did not rely upon and were not influenced by the quality of life
14 in general measure; and

15 “(B) All references to the quality of life in general measure are redacted
16 from the research or analyses before the research or analyses are presented
17 to the commission or to any advisory committee or subcommittees used or
18 consulted by the commission.

19 “(3) The commission may not contract with a single vendor to provide or
20 compile research and analysis that is considered by the commission, and the
21 commission shall publicly disclose, regarding vendors providing or compiling
22 research or analysis to the commission:

23 “(a) The vendors’ funding sources; and

24 “(b) Any conflicts of interest that a vendor may have with respect to the
25 research and analysis provided.

26 “**SECTION 5.** ORS 414.735 is amended to read:

27 “414.735. (1) If insufficient resources are available during a contract pe-
28 riod:

29 “(a) The population of eligible persons determined by law may not be re-
30 duced.

1 “(b) The reimbursement rate for providers and plans established under the
2 contractual agreement may not be reduced.

3 “(2) In the circumstances described in subsection (1) of this section, re-
4 imbursement shall be adjusted by reducing the health services for the eligible
5 population [*by eliminating services in the order of priority recommended by*
6 *the Health Evidence Review Commission, starting with the least important and*
7 *progressing toward the most important*]. **The Oregon Health Authority may**
8 **incorporate any recommendations from the Health Evidence Review**
9 **Commission before implementing a significant reduction in health**
10 **services.**

11 “(3) The [*Oregon Health*] authority shall obtain the approval of the Leg-
12 islative Assembly, or the Emergency Board if the Legislative Assembly is not
13 in session, before instituting the reductions. In addition, providers contract-
14 ing to provide health services under [*ORS 414.591, 414.631 and 414.688 to*
15 *414.745*] **this chapter** must be notified at least two weeks prior to any leg-
16 islative consideration of such reductions. Any reductions made under this
17 section shall take effect no sooner than 60 days following final legislative
18 action approving the reductions.

19 “(4) This section does not apply to reductions made by the Legislative
20 Assembly in a legislatively adopted or approved budget.

21 **“SECTION 6.** ORS 414.325 is amended to read:

22 “414.325. (1) As used in this section:

23 “(a) ‘Legend drug’ means any drug requiring a prescription by a practi-
24 tioner, as defined in ORS 689.005.

25 “(b) ‘Urgent medical condition’ means a medical condition that arises
26 suddenly, is not life-threatening and requires prompt treatment to avoid the
27 development of more serious medical problems.

28 “(2) A licensed practitioner may prescribe such drugs under this chapter
29 as the practitioner in the exercise of professional judgment considers appro-
30 priate for the diagnosis or treatment of the patient in the practitioner’s care

1 and within the scope of practice. Prescriptions shall be dispensed in the ge-
2 neric form pursuant to ORS 689.515 and pursuant to rules of the Oregon
3 Health Authority unless the practitioner prescribes otherwise and an excep-
4 tion is granted by the authority.

5 “(3) Except as provided in subsections (4) and (5) of this section, the au-
6 thority shall place no limit on the type of legend drug that may be prescribed
7 by a practitioner, but the authority shall pay only for drugs in the generic
8 form unless an exception has been granted by the authority.

9 “(4) Notwithstanding subsection (3) of this section, an exception must be
10 applied for and granted before the authority is required to pay for minor
11 tranquilizers and amphetamines and amphetamine derivatives, as defined by
12 rule of the authority.

13 “(5)(a) Notwithstanding subsections (1) to (4) of this section and except
14 as provided in paragraph (b) of this subsection, the authority is authorized
15 to:

16 “(A) Withhold payment for a legend drug when federal financial partic-
17 ipation is not available; and

18 “(B) Require prior authorization of payment for drugs that the authority
19 has determined should be limited to those conditions generally recognized
20 as appropriate by the medical profession.

21 “(b) The authority may not require prior authorization for:

22 “(A) Therapeutic classes of nonsedating antihistamines and nasal
23 inhalers, as defined by rule by the authority, when prescribed by an allergist
24 for treatment of any of the following conditions, as described by the Health
25 Evidence Review Commission [*on the funded portion of its prioritized list of*
26 *services*] **in the prioritized list of health services under ORS 414.690:**

27 “(i) Asthma;

28 “(ii) Sinusitis;

29 “(iii) Rhinitis; or

30 “(iv) Allergies.

1 “(B) Any mental health drug prescribed for a medical assistance recipient
2 if:

3 “(i) The claims history available to the authority shows that the recipient
4 has been in a course of treatment with the drug during the preceding 365-day
5 period; or

6 “(ii) The prescriber specifies on the prescription ‘dispense as written’ or
7 includes the notation ‘D.A.W.’ or words of similar meaning.

8 “(6) The authority shall pay a rural health clinic for a legend drug pre-
9 scribed and dispensed under this chapter by a licensed practitioner at the
10 rural health clinic for an urgent medical condition if:

11 “(a) There is not a pharmacy within 15 miles of the clinic;

12 “(b) The prescription is dispensed for a patient outside of the normal
13 business hours of any pharmacy within 15 miles of the clinic; or

14 “(c) No pharmacy within 15 miles of the clinic dispenses legend drugs
15 under this chapter.

16 “(7) Notwithstanding ORS 414.334, the authority may conduct prospective
17 drug utilization review in accordance with ORS 414.351 to 414.414.

18 “(8) Notwithstanding subsection (3) of this section, the authority may pay
19 a pharmacy for a particular brand name drug rather than the generic version
20 of the drug after notifying the pharmacy that the cost of the particular brand
21 name drug, after receiving discounted prices and rebates, is equal to or less
22 than the cost of the generic version of the drug.

23 “(9)(a) Within 180 days after the United States patent expires on an
24 immunosuppressant drug used in connection with an organ transplant, the
25 authority shall determine whether the drug is a narrow therapeutic index
26 drug.

27 “(b) As used in this subsection, ‘narrow therapeutic index drug’ means a
28 drug that has a narrow range in blood concentrations between efficacy and
29 toxicity and requires therapeutic drug concentration or pharmacodynamic
30 monitoring.

1 **“SECTION 7.** ORS 414.698 is amended to read:

2 “414.698. (1) The Health Evidence Review Commission shall conduct
3 comparative effectiveness research of medical technologies selected in ac-
4 cordance with ORS 414.695. The commission may conduct the research by
5 comprehensive review of the comparative effectiveness research undertaken
6 by recognized state, national or international entities. The commission may
7 consider evidence relating to prescription drugs that is relevant to a medical
8 technology assessment but may not conduct a drug class evidence review or
9 medical technology assessment solely of a prescription drug. The commission
10 shall disseminate the research findings to health care consumers, providers
11 and third-party payers and to other interested [*stakeholders*] **parties**.

12 “(2) The commission shall develop or identify and shall disseminate
13 evidence-based health care guidelines for use by providers, consumers and
14 purchasers of health care in Oregon.

15 “(3) The Oregon Health Authority shall vigorously pursue health care
16 purchasing strategies that adopt the research findings described in sub-
17 section (1) of this section and the evidence-based health care guidelines de-
18 scribed in subsection (2) of this section.

19 **“SECTION 8.** ORS 414.780 is amended to read:

20 “414.780. (1) As used in this section:

21 “(a) ‘Behavioral health coverage’ means mental health treatment and
22 services and substance use disorder treatment or services reimbursed by a
23 coordinated care organization.

24 “(b) ‘Coordinated care organization’ has the meaning given that term in
25 ORS 414.025.

26 “(c) ‘Mental health treatment and services’ means the treatment of or
27 services provided to address any condition or disorder that falls under any
28 of the diagnostic categories listed in the mental disorders section of the
29 current edition of the:

30 “(A) International Classification of Disease; or

1 “(B) Diagnostic and Statistical Manual of Mental Disorders.

2 “(d) ‘Nonquantitative treatment limitation’ means a limitation that is not
3 expressed numerically but otherwise limits the scope or duration of behav-
4 ioral health coverage, such as medical necessity criteria or other utilization
5 review.

6 “(e) ‘Substance use disorder treatment and services’ means the treatment
7 of and any services provided to address any condition or disorder that falls
8 under any of the diagnostic categories listed in the substance use section of
9 the current edition of the:

10 “(A) International Classification of Disease; or

11 “(B) Diagnostic and Statistical Manual of Mental Disorders.

12 “(2) No later than March 1 of each calendar year, the Oregon Health
13 Authority shall prescribe the form and manner for each coordinated care
14 organization to report to the authority, on or before June 1 of the calendar
15 year, information about the coordinated care organization’s compliance with
16 mental health parity requirements, including but not limited to the follow-
17 ing:

18 “(a) The specific plan or coverage terms or other relevant terms regarding
19 the nonquantitative treatment limitations and a description of all mental
20 health or substance use disorder benefits and medical or surgical benefits to
21 which each such term applies in each respective benefits classification.

22 “(b) The factors used to determine that the nonquantitative treatment
23 limitations will apply to mental health or substance use disorder benefits and
24 medical or surgical benefits.

25 “(c) The evidentiary standards used for the factors identified in paragraph
26 (b) of this subsection, when applicable, provided that every factor is defined,
27 and any other source or evidence relied upon to design and apply the non-
28 quantitative treatment limitations to mental health or substance use disorder
29 benefits and medical or surgical benefits.

30 “(d) The number of denials of coverage of mental health treatment and

1 services, substance use disorder treatment and services and medical and
2 surgical treatment and services, the percentage of denials that were ap-
3 pealed, the percentage of appeals that upheld the denial and the percentage
4 of appeals that overturned the denial.

5 “(e) The percentage of claims for behavioral health coverage and for
6 coverage of medical and surgical treatments that were paid to in-network
7 providers and the percentage of such claims that were paid to out-of-network
8 providers.

9 “(f) Other data or information the authority deems necessary to assess a
10 coordinated care organization’s compliance with mental health parity re-
11 quirements.

12 “(3) Coordinated care organizations must demonstrate in the documenta-
13 tion submitted under subsection (2) of this section, that the processes,
14 strategies, evidentiary standards and other factors used to apply nonquanti-
15 tative treatment limitation to mental health or substance use disorder
16 treatment, as written and in operation, are comparable to and are applied
17 no more stringently than the processes, strategies, evidentiary standards and
18 other factors used to apply nonquantitative treatment limitations to medical
19 or surgical treatments in the same classification.

20 “(4) Each calendar year the authority, in collaboration with individuals
21 representing behavioral health treatment providers, community mental
22 health programs, coordinated care organizations, the Consumer Advisory
23 Council established in ORS 430.073 and consumers of mental health or sub-
24 stance use disorder treatment, shall, based on the information reported under
25 subsection (2) of this section, identify and assess:

26 “(a) Coordinated care organizations’ compliance with the requirements for
27 parity between the behavioral health coverage and the coverage of medical
28 and surgical treatment in the medical assistance program; and

29 “(b) The authority’s compliance with the requirements for parity between
30 the behavioral health coverage and the coverage of medical and surgical

1 treatment in the medical assistance program for individuals who are not
2 enrolled in a coordinated care organization.

3 “(5) No later than December 31 of each calendar year, the authority shall
4 submit a report to the interim committees of the Legislative Assembly re-
5 lated to mental or behavioral health, in the manner provided in ORS 192.245,
6 that includes:

7 “(a) The authority’s findings under subsection (4) of this section on com-
8 pliance with rules regarding mental health parity, including a comparison
9 of coverage for members of coordinated care organizations to coverage for
10 medical assistance recipients who are not enrolled in coordinated care or-
11 ganizations as applicable; and

12 “(b) An assessment of:

13 “(A) The adequacy of the provider network as prescribed by the authority
14 by rule.

15 “(B) The timeliness of access to mental health and substance use disorder
16 treatment and services, as prescribed by the authority by rule.

17 “(C) The criteria used by each coordinated care organization to determine
18 medical necessity and behavioral health coverage, including each coordinated
19 care organization’s payment protocols and procedures.

20 “(D) Data on services that are requested but that coordinated care or-
21 ganizations are not required to provide.

22 “(E) The consistency of credentialing requirements for behavioral health
23 treatment providers with the credentialing of medical and surgical treatment
24 providers.

25 “(F) The utilization review, as defined by the authority by rule, applied
26 to behavioral health coverage compared to coverage of medical and surgical
27 treatments.

28 “(G) The specific findings and conclusions reached by the authority with
29 respect to the coverage of mental health and substance use disorder treat-
30 ment and the authority’s analysis that indicates that the coverage is or is

1 not in compliance with this section.

2 “(H) The specific findings and conclusions of the authority demonstrating
3 a coordinated care organization’s compliance with this section and with the
4 Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Eq-
5 uity Act of 2008 (P.L. 110-343) and rules adopted thereunder.

6 “(6) Except as provided in subsection (5)(b)(D) of this section, this section
7 does not require coordinated care organizations to report data on services
8 that are not [*funded*] **medically necessary based** on the prioritized list of
9 health services compiled by the Health Evidence Review Commission under
10 ORS 414.690.

11 **“SECTION 9.** ORS 415.500 is amended to read:

12 “415.500. As used in this section and ORS 415.501 and 415.505:

13 “(1) ‘Corporate affiliation’ has the meaning prescribed by the Oregon
14 Health Authority by rule, including:

15 “(a) Any relationship between two organizations that reflects, directly or
16 indirectly, a partial or complete controlling interest or partial or complete
17 corporate control; and

18 “(b) Transactions that merge tax identification numbers or corporate
19 governance.

20 “(2) ‘Essential services’ means:

21 “(a) Services that are [*funded on the prioritized list described in ORS*
22 *414.690*] **covered under the state medical assistance program, as deter-**
23 **mined under ORS 414.065 and 414.690;** and

24 “(b) Services that are essential to achieve health equity.

25 “(3) ‘Health benefit plan’ has the meaning given that term in ORS
26 743B.005.

27 “(4)(a) ‘Health care entity’ includes:

28 “(A) An individual health professional licensed or certified in this state;

29 “(B) A hospital, as defined in ORS 442.015, or hospital system, as defined
30 by the authority by rule;

1 “(C) A carrier, as defined in ORS 743B.005, that offers a health benefit
2 plan in this state;

3 “(D) A Medicare Advantage plan;

4 “(E) A coordinated care organization or a prepaid managed care health
5 services organization, as both terms are defined in ORS 414.025; and

6 “(F) Any other entity that has as a primary function the provision of
7 health care items or services or that is a parent organization of, or is an
8 entity closely related to, an entity that has as a primary function the pro-
9 vision of health care items or services.

10 “(b) ‘Health care entity’ does not include:

11 “(A) Long term care facilities, as defined in ORS 442.015.

12 “(B) Facilities licensed and operated under ORS 443.400 to 443.455.

13 “(5) ‘Health equity’ has the meaning prescribed by the Oregon Health
14 Policy Board and adopted by the authority by rule.

15 “(6)(a) ‘Material change transaction’ means:

16 “(A) A transaction in which at least one party had average revenue of
17 \$25 million or more in the preceding three fiscal years and another party:

18 “(i) Had an average revenue of at least \$10 million in the preceding three
19 fiscal years; or

20 “(ii) In the case of a new entity, is projected to have at least \$10 million
21 in revenue in the first full year of operation at normal levels of utilization
22 or operation as prescribed by the authority by rule.

23 “(B) If a transaction involves a health care entity in this state and an
24 out-of-state entity, a transaction that otherwise qualifies as a material
25 change transaction under this paragraph that may result in increases in the
26 price of health care or limit access to health care services in this state.

27 “(b) ‘Material change transaction’ does not include:

28 “(A) A clinical affiliation of health care entities formed for the purpose
29 of collaborating on clinical trials or graduate medical education programs.

30 “(B) A medical services contract or an extension of a medical services

1 contract.

2 “(C) An affiliation that:

3 “(i) Does not impact the corporate leadership, governance or control of
4 an entity; and

5 “(ii) Is necessary, as prescribed by the authority by rule, to adopt ad-
6 vanced value-based payment methodologies to meet the health care cost
7 growth targets under ORS 442.386.

8 “(D) Contracts under which one health care entity, for and on behalf of
9 a second health care entity, provides patient care and services or provides
10 administrative services relating to, supporting or facilitating the provision
11 of patient care and services, if the second health care entity:

12 “(i) Maintains responsibility, oversight and control over the patient care
13 and services; and

14 “(ii) Bills and receives reimbursement for the patient care and services.

15 “(E) Transactions in which a participant that is a health center as defined
16 in 42 U.S.C. 254b, while meeting all of the participant’s obligations, acquires,
17 affiliates with, partners with or enters into any agreement with another en-
18 tity unless the transaction would result in the participant no longer quali-
19 fying as a health center under 42 U.S.C. 254b.

20 “(7)(a) ‘Medical services contract’ means a contract to provide medical
21 or mental health services entered into by:

22 “(A) A carrier and an independent practice association;

23 “(B) A carrier, coordinated care organization, independent practice asso-
24 ciation or network of providers and one or more providers, as defined in ORS
25 743B.001;

26 “(C) An independent practice association and an individual health pro-
27 fessional or an organization of health care providers;

28 “(D) Medical, dental, vision or mental health clinics; or

29 “(E) A medical, dental, vision or mental health clinic and an individual
30 health professional to provide medical, dental, vision or mental health ser-

1 vices.

2 “(b) ‘Medical services contract’ does not include a contract of employment
3 or a contract creating a legal entity and ownership of the legal entity that
4 is authorized under ORS chapter 58, 60 or 70 or under any other law au-
5 thorizing the creation of a professional organization similar to those au-
6 thorized by ORS chapter 58, 60 or 70, as may be prescribed by the authority
7 by rule.

8 “(8) ‘Net patient revenue’ means the total amount of revenue, after al-
9 lowance for contractual amounts, charity care and bad debt, received for
10 patient care and services, including:

11 “(a) Value-based payments;

12 “(b) Incentive payments;

13 “(c) Capitation payments or payments under any similar contractual ar-
14 rangement for the prepayment or reimbursement of patient care and services;
15 and

16 “(d) Any payment received by a hospital to reimburse a hospital assess-
17 ment under ORS 414.855.

18 “(9) ‘Revenue’ means:

19 “(a) Net patient revenue; or

20 “(b) The gross amount of premiums received by a health care entity that
21 are derived from health benefit plans.

22 “(10) ‘Transaction’ means:

23 “(a) A merger of a health care entity with another entity;

24 “(b) An acquisition of one or more health care entities by another entity;

25 “(c) New contracts, new clinical affiliations and new contracting affil-
26 iations that will eliminate or significantly reduce, as defined by the author-
27 ity by rule, essential services;

28 “(d) A corporate affiliation involving at least one health care entity; or

29 “(e) Transactions to form a new partnership, joint venture, accountable
30 care organization, parent organization or management services organization,

1 as prescribed by the authority by rule.

2 **“SECTION 10.** ORS 415.500, as amended by section 21, chapter 4, Oregon
3 Laws 2025, is amended to read:

4 “415.500. As used in this section and ORS 415.501 and 415.505:

5 “(1) ‘Corporate affiliation’ has the meaning prescribed by the Oregon
6 Health Authority by rule, including:

7 “(a) Any relationship between two organizations that reflects, directly or
8 indirectly, a partial or complete controlling interest or partial or complete
9 corporate control; and

10 “(b) Transactions that merge tax identification numbers or corporate
11 governance.

12 “(2) ‘Essential services’ means:

13 “(a) Services that are [*funded on the prioritized list described in ORS*
14 *414.690*] **covered under the state medical assistance program, as deter-**
15 **mined under ORS 414.065 and 414.690;** and

16 “(b) Services that are essential to achieve health equity.

17 “(3) ‘Health benefit plan’ has the meaning given that term in ORS
18 743B.005.

19 “(4)(a) ‘Health care entity’ includes:

20 “(A) An individual health professional licensed or certified in this state;

21 “(B) A hospital, as defined in ORS 442.015, or hospital system, as defined
22 by the authority by rule;

23 “(C) A carrier, as defined in ORS 743B.005, that offers a health benefit
24 plan in this state;

25 “(D) A Medicare Advantage plan;

26 “(E) A coordinated care organization or a prepaid managed care health
27 services organization, as both terms are defined in ORS 414.025; and

28 “(F) Any other entity that has as a primary function the provision of
29 health care items or services or that is a parent organization of, or is an
30 entity closely related to, an entity that has as a primary function the pro-

1 vision of health care items or services.

2 “(b) ‘Health care entity’ does not include:

3 “(A) Long term care facilities, as defined in ORS 442.015.

4 “(B) Facilities licensed and operated under ORS 443.400 to 443.455.

5 “(5) ‘Health equity’ has the meaning prescribed by the Oregon Health
6 Policy Board and adopted by the authority by rule.

7 “(6)(a) ‘Material change transaction’ means:

8 “(A) A transaction in which at least one party had average revenue of
9 \$25 million or more in the preceding three fiscal years and another party:

10 “(i) Had an average revenue of at least \$10 million in the preceding three
11 fiscal years; or

12 “(ii) In the case of a new entity, is projected to have at least \$10 million
13 in revenue in the first full year of operation at normal levels of utilization
14 or operation as prescribed by the authority by rule.

15 “(B) If a transaction involves a health care entity in this state and an
16 out-of-state entity, a transaction that otherwise qualifies as a material
17 change transaction under this paragraph that may result in increases in the
18 price of health care or limit access to health care services in this state.

19 “(b) ‘Material change transaction’ does not include:

20 “(A) A clinical affiliation of health care entities formed for the purpose
21 of collaborating on clinical trials or graduate medical education programs.

22 “(B) A medical services contract or an extension of a medical services
23 contract.

24 “(C) An affiliation that:

25 “(i) Does not impact the corporate leadership, governance or control of
26 an entity; and

27 “(ii) Is necessary, as prescribed by the authority by rule, to adopt ad-
28 vanced value-based payment methodologies to meet the health care cost
29 growth targets under ORS 442.386.

30 “(D) Contracts under which one health care entity, for and on behalf of

1 a second health care entity, provides patient care and services or provides
2 administrative services relating to, supporting or facilitating the provision
3 of patient care and services, if the second health care entity:

4 “(i) Maintains responsibility, oversight and control over the patient care
5 and services; and

6 “(ii) Bills and receives reimbursement for the patient care and services.

7 “(E) Transactions in which a participant that is a health center as defined
8 in 42 U.S.C. 254b, while meeting all of the participant’s obligations, acquires,
9 affiliates with, partners with or enters into any agreement with another en-
10 tity unless the transaction would result in the participant no longer quali-
11 fying as a health center under 42 U.S.C. 254b.

12 “(7)(a) ‘Medical services contract’ means a contract to provide medical
13 or mental health services entered into by:

14 “(A) A carrier and an independent practice association;

15 “(B) A carrier, coordinated care organization, independent practice asso-
16 ciation or network of providers and one or more providers, as defined in ORS
17 743B.001;

18 “(C) An independent practice association and an individual health pro-
19 fessional or an organization of health care providers;

20 “(D) Medical, dental, vision or mental health clinics; or

21 “(E) A medical, dental, vision or mental health clinic and an individual
22 health professional to provide medical, dental, vision or mental health ser-
23 vices.

24 “(b) ‘Medical services contract’ does not include a contract of employment
25 or a contract creating a legal entity and ownership of the legal entity that
26 is authorized under ORS chapter 58, 60 or 70 or under any other law au-
27 thorizing the creation of a professional organization similar to those au-
28 thorized by ORS chapter 58, 60 or 70, as may be prescribed by the authority
29 by rule.

30 “(8) ‘Net patient revenue’ means the total amount of revenue, after al-

lowance for contractual amounts, charity care and bad debt, received for patient care and services, including:

“(a) Value-based payments;

“(b) Incentive payments; and

“(c) Capitation payments or payments under any similar contractual arrangement for the prepayment or reimbursement of patient care and services.

“(9) ‘Revenue’ means:

“(a) Net patient revenue; or

“(b) The gross amount of premiums received by a health care entity that are derived from health benefit plans.

“(10) ‘Transaction’ means:

“(a) A merger of a health care entity with another entity;

“(b) An acquisition of one or more health care entities by another entity;

“(c) New contracts, new clinical affiliations and new contracting affiliations that will eliminate or significantly reduce, as defined by the authority by rule, essential services;

“(d) A corporate affiliation involving at least one health care entity; or

“(e) Transactions to form a new partnership, joint venture, accountable care organization, parent organization or management services organization, as prescribed by the authority by rule.

“SECTION 11. ORS 741.340 is amended to read:

“741.340. The Oregon Health Authority, in developing and offering the health benefit package required by ORS 413.011 (1)(j), may not establish policies or procedures that discourage insurers from offering more comprehensive health benefit plans that provide greater consumer choice at a higher cost. The health benefit package approved by the Oregon Health Policy Board shall:

“(1) Promote the provision of services through an integrated health home model that reduces unnecessary hospitalizations and emergency department visits.

1 “(2) Require little or no cost sharing for evidence-based preventive care
2 and services, such as care and services that have been shown to prevent
3 acute exacerbations of disease symptoms in individuals with chronic ill-
4 nesses.

5 “(3) Create incentives for individuals to actively participate in their own
6 health care and to maintain or improve their health status.

7 “(4) Require a greater contribution by an enrollee to the cost of elective
8 or discretionary health services.

9 “(5) Include a defined set of health care services that are affordable, fi-
10 nancially sustainable, **covered under ORS 414.065** and **medically neces-**
11 **sary** based upon the prioritized list of health services developed and updated
12 by the Health Evidence Review Commission under ORS 414.690.

13 **“SECTION 12. ORS 414.225 is amended to read:**

14 “414.225. The Oregon Health Authority shall consult with the Medicaid
15 Advisory Committee [*concerning the determinations*] **in performing the**
16 **actions** required under ORS 414.065.

17 **“SECTION 13. ORS 414.694 is repealed.**

18 **“SECTION 14. (1) As used in this section, ‘coordinated care organ-**
19 **ization’ and ‘medical assistance’ have the meanings given those terms**
20 **in ORS 414.025.**

21 **“(2) The Oregon Health Authority shall study:**

22 **“(a) How the authority and coordinated care organizations can**
23 **effectuate coverage decisions in the state medical assistance program**
24 **based on the prioritized list of health services developed under ORS**
25 **414.690.**

26 **“(b) Areas for potential alignment between the authority’s fee-for-**
27 **service payment system and the Oregon Integrated and Coordinated**
28 **Health Care Delivery System established in ORS 414.570 that are**
29 **compliant with federal law and within existing resources of the au-**
30 **thority.**

1 “(3) The authority and the Health Evidence Review Commission
2 shall study the implications and feasibility of developing, as part of the
3 prioritized list of health services, diagnosis and treatment code
4 pairings that indicate which health services are not medically neces-
5 sary or appropriate for particular conditions.

6 “(4) The authority and the commission shall submit a report in the
7 manner provided by ORS 192.245 on the results of the studies con-
8 ducted under subsections (2) and (3) of this section to the interim
9 committees of the Legislative Assembly related to health care no later
10 than January 1, 2027.

11 “SECTION 15. Section 14 of this 2026 Act is repealed on January 2,
12 2028.

13 “SECTION 16. (1) As used in this section, ‘coordinated care organ-
14 ization,’ ‘health services’ and ‘medical assistance’ have the meanings
15 given those terms in ORS 414.025.

16 “(2) Pursuant to the amendments to ORS 414.065 and 414.690 by
17 sections 2 and 3 of this 2026 Act, the Oregon Health Authority shall
18 transition to administering the prioritized list of health services
19 through an amendment to the Medicaid state plan instead of through
20 a demonstration project under section 1115 of the Social Security Act
21 (42 U.S.C. 1315). As part of that transition, the authority shall:

22 “(a) Ensure that the prioritized list of health services and other
23 guidance developed by the Health Evidence Review Commission are
24 published on a single webpage and readily accessible to interested
25 parties, including but not limited to coordinated care organizations
26 and providers.

27 “(b) Develop tailored technical assistance and other materials for
28 interested parties, including but not limited to medical assistance re-
29 cipients, providers and coordinated care organizations.

30 “(c) Direct the commission to evaluate the availability of relevant

1 utilization data and the resources necessary to leverage existing utili-
2 zation data to inform the commission's prioritized list of health ser-
3 vices.

4 “(d) Consult with actuaries for the state medical assistance pro-
5 gram to review data as expeditiously as possible after January 1, 2027,
6 to ensure there is sufficient data for developing medical assistance
7 rates for 2028.

8 “(e) Report the authority's findings under paragraph (d) of this
9 subsection to:

10 “(A) The Medicaid Advisory Committee established under ORS
11 414.211;

12 “(B) The committee convened by the authority related to quality
13 and health outcomes;

14 “(C) The work group convened by the authority to collaborate with
15 coordinated care organizations on pharmacy policies; and

16 “(D) The beneficiary advisory committee convened by the authority
17 to receive input from medical assistance recipients.

18 “SECTION 17. Section 16 of this 2026 Act is repealed on January 2,
19 2029.

20 “SECTION 18. (1) The amendments to ORS 414.025, 414.065, 414.225,
21 414.325, 414.690, 414.698, 414.701, 414.735, 414.780, 415.500 and 741.340 by
22 sections 1 to 12 of this 2026 Act become operative on January 1, 2027.

23 “(2) The Oregon Health Authority and the Health Evidence Review
24 Commission may take any action before the operative date specified
25 in subsection (1) of this section that is necessary to enable the au-
26 thority and the commission to exercise, on and after the operative
27 date specified in subsection (1) of this section, all of the duties, func-
28 tions and powers conferred on the authority and the commission by
29 the amendments to ORS 414.025, 414.065, 414.225, 414.325, 414.690, 414.698,
30 414.701, 414.735, 414.780, 415.500 and 741.340 by sections 1 to 12 of this

1 **2026 Act.**

2 **“SECTION 19. This 2026 Act being necessary for the immediate**
3 **preservation of the public peace, health and safety, an emergency is**
4 **declared to exist, and this 2026 Act takes effect on its passage.”.**

5
