



**MEMORANDUM**

To: Members of the Joint Committee on Capitol Construction  
Members of the Joint Committee on Ways and Means

From: Courtni Dresser, Vice President of Government Relations

Date: March 3, 2026

Re: HB 5204 - OHA Rebalance – Quality Incentive Program (QIP)

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The Oregon Medical Association (OMA) represents and advocates for more than 7,000 physicians, physician associates, and medical and PA students across Oregon. Our mission is to support our members in their efforts to practice medicine effectively, improve the health of Oregonians, and provide the highest quality patient care.

We are deeply disappointed that the proposed rebalance appears to reduce funding for the Quality Incentive Program (QIP).

The QIP is not an add-on or a bonus pool. It is a cornerstone of Oregon’s Medicaid transformation and one of the few tools that directly ties funding to measurable improvements in patient outcomes. As outlined in coalition materials submitted to this committee, QIP funding supports care coordination, prevention, chronic disease management, and equity-focused quality improvement efforts. It rewards results.

Reducing QIP from 4.25% to 2% is not simply an accounting adjustment. It represents a substantial reduction in funding that flows back into frontline care, to clinics, rural practices, FQHCs, dental providers, and community-based systems that rely on these dollars to make Medicaid work.

We understand the budget pressures facing the state. However, cutting QIP is particularly concerning.

Medicaid already reimburses below the cost of care, and QIP dollars help close that gap by investing in systems that improve outcomes and reduce long-term costs. Reducing QIP while maintaining the same reporting and performance expectations creates a clear misalignment

between funding and accountability. Providers will still be expected to meet ambitious quality benchmarks, but with fewer resources to build the care coordination, behavioral health integration, and chronic disease management infrastructure those benchmarks require.

This reduction will disproportionately impact rural and underserved communities and these are the very providers working hardest to meet improvement targets tied to maternal-child health, chronic disease outcomes, and behavioral health access. It also risks weakening participation in value-based payment arrangements at a time when Oregon has positioned itself as a national leader in coordinated care and accountability. Scaling back the state's primary quality incentive mechanism sends the wrong signal and undermines progress the Legislature has supported for more than a decade.

We are also disappointed that the proposed rebalance did not include a budget note directing OHA to align 2026 measurement year reporting requirements with the reduced funding level.

Our requested language was straightforward:

The Oregon Health Authority shall review the measurement year 2026 Quality Incentive Program-related metric collection requirements for CCOs and providers and shall reduce these requirements to align with current available funding for the program. This shall include eliminating low-value reporting and performance requirements. OHA shall issue this guidance before June 1, 2026.

If funding is reduced, expectations must be recalibrated. Otherwise, providers will face the same, and even greater, administrative burden with fewer resources to meet those standards. That is neither efficient nor fair.

We urge the committee to reconsider the reduction to QIP or, at minimum, adopt clear direction to OHA to right-size metric and reporting requirements to match available funding.

QIP works because it ties dollars to outcomes. Weakening it risks reversing hard-won gains in access, accountability, and equity within Oregon's Medicaid program.