

LC 423: Updating OHP Benefit Coverage

To comply with changed federal requirements, statutes related to the Health Evidence Review Commission (HERC) and Oregon Health Plan (OHP) Prioritized List must be updated, which can be done without loss of covered services for OHP members.

Compliance with Federal Regulations Requires Changes for the Oregon Health Plan

For the past 30 years, via an 1115 demonstration waiver, OHP benefits have been largely determined by the HERC, which uses transparent evidence-based reviews of peer-reviewed literature and a comparative analysis of population-based benefits to determine which services will be included Oregon's Prioritized List. However, during the last waiver negotiation, the federal Centers for Medicare and Medicaid Services (CMS) notified OHA that the federal waiver authorizing use of the Prioritized List to determine OHP benefits will end December 31, 2026.

Beginning January 1, 2027, OHP benefits must be administered in compliance with the federal regulations that govern all State Medicaid Plans. Oregon will need to define OHP's covered and noncovered benefits in its State Medicaid Plan. OHA and HERC will need to review all services currently on the Prioritized List, and to ensure that all federally mandated services are covered and that appropriate medical necessity criteria are clearly defined for OHP. HERC's deliverables will change from determining the prioritized list to identifying medical necessity policies and associated data files. However, no major changes are expected to HERC's evidence standards, structure, or administrative processes. Minor changes to HERC's membership composition may be needed.

Maintaining OHP Benefits

OHP members will not experience a loss of covered services, as all services that have been covered by the Prioritized List are, by definition, medically necessary and thus are covered under the new federal requirements. Instead, the opposite is likely to occur; some services that were not previously covered, because they were low on the

Prioritized List, will now be covered. There may be additional costs associated with the newly covered services which will be addressed through the regular budget process.

OHA has already started its work on this matter by reviewing HERC processes, as well as conducting an initial review of mandatory and optional services currently on the Prioritized List.

For more information:

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