

# The Health Evidence Review Commission (HERC) and the Prioritized List of Services

## What is the Health Evidence Review Commission (HERC)?

Each state has its own process to decide which health care services to cover, meaning what services it will pay for, through Medicaid. In many states, these decisions are made without any public process. In Oregon, the Health Evidence Review Commission (HERC) decides which health care services to put on Oregon's **Prioritized List**.

The Prioritized List defines which health care services are covered for the Oregon Health Plan. See page 3 for more on the Prioritized List.

- Oregon Health Plan (OHP) is Oregon's Medicaid program
- OHP serves **1 in 3** people in Oregon.

In Oregon, the governor appoints 13 Commissioners to HERC, who must be confirmed by the state Senate. All Commissioners are volunteers, and include members who are physicians, consumer advocates, public health nurses, alternative care providers, as well as dentists, pharmacists, and representatives from behavioral health and the insurance industry.

Oregon Health Authority staff collaborate with experts in various health fields as well as insurance and consumer representatives as they review scientific studies and prepare recommendations for HERC. All HERC meetings are open to the public and include opportunities for members of the public to review and comment on every proposal and decision.

HERC reviews staff recommendations, as well as public comment, and makes decisions during public meetings. This public process ensures transparency and accountability for these important decisions, supporting OHA's strategic goal of eliminating health inequities by including patients, providers, and caregivers in decisions that affect them.

## Many health care services are reviewed by HERC

HERC reviews many types of services when deciding which to cover for each health condition: physical and behavioral health treatments, dental care, surgeries, diagnostic services and equipment.

HERC chooses services that are most likely to help prevent disease, treat illnesses and injuries, manage chronic conditions, and improve members' ability to function. For example, in 2016 HERC added services for back and neck pain including acupuncture, chiropractic manipulation, massage, yoga and physical therapy to OHP. HERC also updated the requirements for spine surgery and decided not to cover certain spinal injections.

Decisions about prescription drugs are made mostly by Pharmacy and Therapeutics Committees, one for each coordinated care organization and one for fee-for-service members. You can learn more about OHA's fee-for-service [Pharmacy and Therapeutics Committee](#).

## **HERC prioritizes services that improve health**

HERC believes that services proven to significantly benefit people's health are important, and HERC covers them. Services not proven to benefit people and those likely to cause more harm than good are not covered. Even after reviewing scientific evidence, sometimes it is unclear whether a service should be covered. Therefore, HERC also thinks about other factors, including cost. This is especially true for services where there is little benefit or for services for which there are less costly alternatives that could help the person just as much.

## **HERC considers the best evidence available as well as the needs and concerns of patients and those who care for them**

HERC decides whether to cover services by reviewing scientific studies to see how much a service can benefit patients. HERC considers the quality of the research, the results of the research, and other information. It asks questions, including:

- When was this study done? More recent studies provide the most up-to-date scientific information.
- Who paid for the study? Funding may introduce biases to a study, especially when the group paying for the study has a stake in the outcome. For example, a drug company paying for a study about the impact of their drug may influence the study's design or how outcomes are understood.
- How many participants were there? When scientists study more people, we're more certain of the results. For example, a study of 14 people is generally less reliable than a study of 500 people.
- Who was studied? Participants' age, location, sex, gender, race, ethnicity, wealth, education, and other characteristics can affect the outcomes of a study.

In addition to scientific studies, HERC considers the concerns of patients and providers who care for them. For example, HERC sometimes covers services based on limited research if the treatment is safe and accepted by care providers, especially if there is unlikely to be more research in the future. In other instances, HERC might cover a treatment preferred by patients because it is more easily available to them in Oregon, or because it has practical benefits not shown by the scientific research.

### **Coverage guidance documents**

For some services, when scientific studies are unclear or when people have strong beliefs about the importance of a service, a subcommittee of HERC writes reports called coverage guidance documents.

OHP members and their providers can look at these documents to understand how and why HERC made the decisions it did. Insurance companies can also use these documents when deciding what they will cover for their members.

You can see coverage guidance documents for different topics on [HERC website](#).

# The Prioritized List

## A Prioritized List of health conditions and health care services

The Prioritized List (List) outlines what the Oregon Health Plan (OHP) will pay for. In many states, government staff make these decisions, without any public process. In Oregon, HERC publicly makes these decisions.

The List includes a list of conditions that members might have, along with corresponding services. For example, some covered treatments listed for diabetes (a condition) include office visits, blood sugar monitoring, medication and medical nutrition therapy.

Most conditions and services are listed using medical and dental codes. For some conditions or services, the List has guidelines to clarify when certain services are covered or not.

## Many types of health conditions and health care services are on the List

The List has over 650 lines, which include a wide variety of health services including screening, preventive services, diagnostic services, treatments and equipment for each condition. For example, for tooth decay, the List includes visits with care providers, preventive services like fluoride varnish, as well as fillings, root canals, and extractions. The List also has guidelines to guide when some of these services should be paid for, depending on patient needs.

Based on the List, services are only covered for people who have specific conditions. For example, breast reconstruction isn't covered for everyone, but it is covered for OHP members who've had a mastectomy (breast removal) as part of breast cancer treatment.

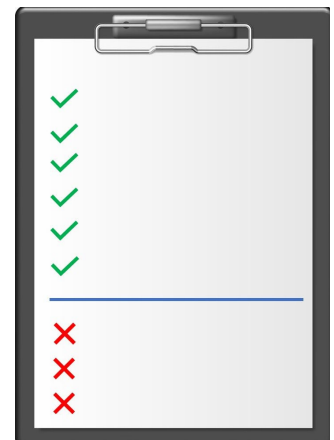
## What's the process for deciding what is funded on the List?

HERC makes sure that the services they want to cover for OHP members are in the upper part of the List.

The Oregon legislature and the Centers for Medicare & Medicaid Services (CMS) decide how many of these services to pay for.

**Oregon Legislature:** Because of how HERC orders the List, the legislature doesn't have to pick and choose which services to pay for. Instead, they say, "we'll pay for everything above" a certain line. This is called the "funding line."

This means that OHP members can receive any of the health care services above the funding line, if they are needed for their condition or combination of conditions.



**CMS:** Since 2012, OHA, CMS and the Oregon Legislature have agreed that Oregon cannot move the funding line up. This means that the Legislature can no longer cover fewer service lines than it does today in order to save money, as it did several times in the past.

## Many important health services are covered but aren't on the List

Often, care providers need to see a patient, do laboratory work or take images such as x-rays in order to know what condition a person has, or how best to treat it. These 'diagnostic' services are generally covered. Other 'ancillary' services like anesthesia, prescription drugs and durable medical equipment are covered for people who have any condition that appear in the funded part of the List. The Prioritized List includes guidelines for some diagnostic and ancillary services, explaining whether they should not be covered or should only be covered in certain situations.

In addition, services for OHP members under age 21 are covered when they are medically necessary and appropriate, even if they don't align with the list. These include services to support growth, development, and ability to participate in school. More information and guidance regarding Oregon's Early and Periodic Screening, Diagnosis and Treatment program (known as EPSDT) may be found [here](#).

## Oregon Health Plan has an appeals process

Sometimes OHP members can get services that aren't typically covered if they can help treat a specific health condition the member has.

Additionally, if a patient or their provider believe a service that's not covered would help the patient, they can ask for special consideration through their coordinated care organization's complaints and appeals process. OHP members may contact their [coordinated care organization](#) and/or the [OHA Ombuds Program](#) for help.

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