Agenda/Notes
Office of Governor Tina Kotek
RJC Health Equity and Human Services Committee
July 21 2026 – Zoom
8:30am – 10:00am
Moderator – Javier Cervantes

MEMBERS

A	Annie Valtierra-Sanchez	A	Jackie Leung	X	Matt Newell-Ching
X	Coi Vu	X	Josie Silverman-Mendez	X	Melinda Del Rio
X	Dolores Martinez	E	Leslie Gregory	E	Tae-Sun Kim
X	Elizur Bello	X	Marin Arreola	X	Reginald Gilmore

OTHER ATTENDEES

X	Andre Bealer	X	Yasmin Solorio	X	Javier Cervantes
X	Kristina Narayan	X	April Rohman	E	Rachel Currans-Henry
X	Kirsten Ray	X	KC LeDell	X	Melinda Gross, DAS

Topic/Lead	Notes/Main Points	Decisions/Action Items
Medicaid Recommendations and Report -Kristina Narayan	*Meeting starts at 8:35am. Marin provides welcome. Kristina shares "Advisory Group to the Governor on Medicaid Sustainability" slides.* **Kristina**: Oregon has made it a policy goal to ensure access to healthcare coverage. Everyone across the state has representation in the Medicaid program. System impacts for HR1 will disproportionally affect rural communities, Medicaid, and statewide impacts. Every state, except for Alaska, allows states to take state funds, maximize them to meet our state to federal match. The tools we use in addition to General Fund (GF) that we use for the state/federal match, this now doesn't allow new provider taxes and declines current rate of the assessment. It squeezes the provider tax over time. We will decline 6% to 3.5%. We talk budget language, but we know its people this is affecting. GF is cash we have to come up with, federal funds are what it's matched with. Federal funds is the total scale of impact, when it's a federal funds loss it's a true impact somewhere. Expected coverage loss due to work requirements, frequent redeterminations every 6 months, and some exclusions. Anticipated affect is a savings of $412M but what it amounts to is a $2.9B impact next budget cycle as far as provider immunity – this is payments to Community Care	

	Organizations (CCOs) and payments to providers. What happens in Medicaid will affect the healthcare system. The effects will affect what you pay, access to clinics, providers will need to make choices if they can be accessible to Medicaid, sustainability with reimbursements, etc. We have a 5-10% Medicaid hit. If you had that as a decrease in salary, or increase in bills, how would you tackle that. **Matt**: The 421 gap assumes that we still lose Medicaid? **Kristina**: Yes. By the September forecast, it may grow. The Governor's values are at odds with the budget picture. **Marin**: You mentioned cost for private insurance might be impacted. What percentage increase, what are we looking at in that sector? **Kristina**: Hard to predict. Individual market rates, not yet finalized, you're looking at 8-12% increases for small groups. We want employers to be competitive, provide and seek to ensure their employees. It's a better reimbursement rate for providers, sustainability there on commercial market as well. **Marin**: Feel like we fail to educate business, large or small, because they think it will not affect them. It impacts everyone. **Kristina**: It's a $9.4B cut to Oregon's healthcare system by 2031. **Josie**: Losing coverage - what was that based off of? **Kristina**: We had redeterminations a while back. It was month over month people cutting and coming back on healthcare system. That burden will require it more frequently. We can predict some of that behavior based on past experience and looking at other states. **Coi**: When folks are uninsured, it will impact the hospital system and emergency health systems. When people aren't insured, they don't have preventative care and delay health care because it will go to providers and health clinics. They go to emergency room last minute. See the impact being overutilized vs them being utilized. **Kristina**: In 2025 we had a Medicaid Advisory Group. Governor solicited feedback, helps her with capacity with the problem she needs to solve in the Governor's Recommended Budget (GRB). Legislature makes final decision around it. Back in November we brought on Bruce	

	Goldberg for this project regarding the Medicaid Sustainability Advisory Group. How can Oregon keep people insured and meet core needs? Governor has spent her entire career ensuring people and children have access to health insurance. No point in paying for healthcare benefits if it doesn't meet access needs. Advisory group is a lot of work, hope the report is useful to the Governor and meet her values as she pieces together her budget. We present her with options, not recommendations. She got the report on July 6th, released it publicly on July 7th. Medicaid is also one of the lowest payers in the healthcare system. It may be something providers have a hard choice to make. Pharmacy is a big area for opportunity. One of the questions we asked was what are other states doing (example - drug list for providers). How does our state optional benefit package (example dental) compare to other states. Options: Adjusting CCO Structure. Option table lists intervention, savings in general fund and high level considerations to what costs are to healthcare system, CCOs, and providers. **Josie**: Streamlining number of CCO – was there dialogue around what might be lost if we have fewer CCOs and staying local to providers in the area? **Kristina**: Very briefly, not discussed that much. **Marin**: What's percentage of admin costs right now, overall? **Kristina**: Can get back to you on that. Per member per month payment, in recent years has been between 8-12%, for 1115 waiver there was other admin built in. **Marin**: With new federal build, will you add more admin to help with redetermination. **Kristina**: Yes, we asked for additional funds to help with that. Advisory group has now concluded but the budget process is just starting. Bruce will be transitioning out. Target around healthcare may change, in addition to estimate of September Revenue forecast. We have to publish budget by December 1st. There are 42 options available to Governor through the report. No single one adds up to the budget hole, together	Kristina to check on percentage of administrative costs.

through – they potentially could. Report is just their best thinking and accelerates ability for governor to advance the budget.

Governor's Advisory Group on Medicaid Sustainability Final Report Full report: https://www.oregon.gov/oha/OHPB/MtgDocs/4.%20Advisory%20Group%20on%20Medicaid%20Sustainability%20Report%20to%20Governor%20Kotek%20Final.pdf

Slides: https://www.oregon.gov/oha/OHPB/MtgDocs/4.1%20Oregon%20Health%20Policy%20Board%20Advisory%20Group%20on%20Medicaid%20Sustainability%20Final.pdf

Presentation video link (starts at timestamp 36:05): https://www.youtube.com/watch?v=5OxMFJwOyS8

Coi: Who are folks you're reaching out to? We are missing CBOs. It's a lot of administrative folks who aren't with community on a day-to-day basis

Kristina: Good call out. Ability to move and cover a lot of ground quickly doesn't sometime allow everyone in the room. Having limited capacity, we made full presentation available at the Policy Board meeting. Theres's perspectives we need that we can't gather. Look at report, send us your feedback by email. We've presented to Disability Rights Oregon, meeting with Salud and Poder this afternoon, Oregon Law Center soon, and Local Government of Counties.

Josie: When Marin and I gave our committee update to the Racial Justice Council (RJC), we noted we wanted to track Medicaid updates. What we heard from the governor is it'd be helpful for us to do just that. Would be great to send individual feedback to Kristina and maybe we can move that feedback forward for August meeting to Governor.

Kristina: These are significant numbers. HR1 is a generational issue and potential impact to sustain healthcare system in Oregon, one that is already under stress. Most helpful feedback, maybe we can look at a form or another way for folks to send in feedback. We are in this environment and we have to respond. Even looking at categorical areas, where is harm downstream if something is pursued, what is completely off table and why, is there an alternative space you recommend spending more time in. we have to address budget, how can you help us navigate around the thing we shouldn't touch. Moving policy and budget feedback.

Josie: Every CCO has a community advisory council. Monthly

	meetings that the state facilitates. Getting more of that direct OHP consumer input for downstream impacts, if there's a way to do that between now and December, would be something I'd highly encourage. Bodies are established, just question on how to get into that space. **Kristina**: OHA also has a member advisory committee. **Josie**: Next steps, Marin and I will work with Kristina on framework we can apply for options proposed. Encourage folks to email her directly with feedback.	Co-chairs to connect with Kristina on framework for gathering the committee's feedback.
Review of OHA and ODHS Agency Questions -All	**Javier**: Reviewing questions from last month's gathering. **Josie**: Both agencies presented last month on ARBs, process, and priorities they are working within. We highlighted our committee has two priorities going into legislative session. Partnering with agencies to maintain healthcare and SNAP given impacts, opportunity to support CBOs as a resource in that space. Lot of dialogue. Done our best to document what we heard from everyone. Will have agencies present on questions in August, how they are using our feedback and where they are landing in their ARBs. *Javier shares Oregon Health Authority (OHA) questions* **Oregon Health Authority (OHA) Questions** 1. Provide an overview of their budget development process, including how community stakeholders are being engaged to offer input. 2. Highlight components of their budgets that align with our committee's priorities going into the GRB process: a. Maintaining access to Medicaid and Healthier Oregon Program (HOP) to the greatest extent possible; and b. Strengthening partnerships between OHA and CBOs that support access to health and human services, ensuring agency budgets include adequate funding for this work. 3. Offer an overview of current CBO grant programs, including funding levels and how they are reflected in the ARBs. 4. Identify any potential cuts or changes to Medicaid and HOP. 5. Community impact analysis of proposed budget changes. 6. Federal funding risks and contingency planning by the state 7. What are the community engagement processes and the incorporation of stakeholder feedback. 8. Is there an opportunity to work with agencies to better understand lay of the land across all divisions to see what CBO grants are available, including OHA grants. Where are there deeper partnership opportunities with CBOS? 9. What are the financial implications of moving Healthier Oregon Program to COO for open card. 10. Contact information for OHA ombuds. 11. How is inflation being taken into account for CBO contract awards. 12. Allocating and connecting reimbursements with those [providers] who are succeeding with outcomes.	

Marin: Anything else we need to add or address?

Josie: Other details we talked about, in alignment with committee priorities. It was too early to hear on Policy Option Packages (POPs) or Legislative Concepts (LCs). Whatever they have in detail around POP and LC that align with our committee priorities, for both OHA and DHS, would be helpful.

POPs and LC's that align committee priorities. What are those?

Javier: Agency Recommended Budget (ARB) are due in August.

Matt: What's the deadline for feedback?

Javier: End of next week. We want to give them a month.

Yasmin: Next committee meeting is August 19th.

Javier shares Oregon Health Authority (OHA) questions

Oregon Dept. of Human Services (ODHS) Questions

1. Provide an overview of their budget development process, including how community stakeholders are being engaged to offer input.
2. Highlight components of their budgets that align with our committee's priorities going into the Governor's Recommended Budget (GRB) process:
    a. Maintaining access to SNAP to the greatest extent possible; and
    b. Strengthening partnerships between ODHS and CBOs that support access to health and human services, ensuring agency budgets include adequate funding for this work.
3. Offer an overview of current Community Based Organization (CBO) grant programs, including funding levels and how they are reflected in the ARBs.
4. Identify any potential cuts or changes to SNAP.
5. The committee requests more information on who is being most impacted by HR1 changes - – is it seniors, ABOD, not recertifying due to administrative burden, etc.?
6. ODHS Assisters - to what extent are we keeping networks informed on SNAP changes to help mobilize them to connect people to resources.
7. CBO's are key to keeping communities informed. What can be put in place to help with timely updates, simple communication, and reduce additional burden for CBO's to inform communities?

Matt: Will suggest to refine question 5, there's been some data that has since been released. Especially on impact on kids and impact for people.

Josie: #6 actually assisters and funders through OHA. How

	are they being informed to help OHA assisters. Instead of ODHS I would refer to them as "OHP enrolment assisters". **Coi**: During last legislation, that's food stamp workers, SNAP workers were funded. OHP assisters weren't funded. We want to do both ways. **Javier**: We know there's a lot of changes with OHA and new director. We'll work with them on who's coming in with new presentation. **Coi**: Any additional info on transitions with Director Hathi leaving and changes with OHA you can share. **Javier**: Not aware of anything else. **Coi**: Article just came out in regards to OHA not having to lay off staff because they were able to balance the budget, just important info as we talk about all these. **Josie**: Leaning on we might need two hours, vs 1.5 hour for the August Committee meeting. Want to prioritze on feedback for Medicaid roundtable recommendations. **Javier**: We will touch on that during our co-chair agenda planning. Committee members, please send any edits or revisions to the questions. *Meeting concludes at 9:48am.*	Javier to confirm OHA presenter for next month's presentation.

Meeting Materials	4.1 Oregon Health Policy Board Advisor HEHSC Priorities_Possible Ne

Zoom Chat

08:31:25 From April Rohman (they/them), Governor's Office to Hosts and panelists:
Hi All! I need a minute to fix my audio.
08:32:57 From Melinda Del Rio to Hosts and panelists:
Good morning. Just an fyi- I'll have to step away from 9-9:30 but I'll return for the last half hour.
08:33:17 From Yasmin Solorio, Gov Office (She/her) to Hosts and panelists:
Thanks for the heads up!
08:34:43 From Javier Cervantes, Gov. Office (El, He, Him, His) to Hosts and panelists:
RJC-HEHS Agenda Jul 21, 2026, 8:30 AM
- Medicaid Recommendations and Report-Kristina Narayan (60 minutes)
- Review of OHA and ODHS Agency Questions-All (Time Remaining)

08:38:40 From Josie Silverman-Mendez (she/her), Willamette Health Council to Hosts and panelists:
Apologies for my tardiness, all!
08:58:37 From Matt Newell-Ching (OFB, he/him) to Hosts and panelists:
Sadly with SNAP we saw that more people lost coverage than Oregon initially estimated. To be clear, I don't blame the state for this… this is an unprecedented policy change. But it does make me worry that if the same assumptions were made about Medicaid that were also made by SNAP, we could very likely see numbers above 200k losing OHP. 😔
09:19:13 From Matt Newell-Ching (OFB, he/him) to Hosts and panelists:
As long as a I live and breathe I will never understand why we have one health care system for nearly all of one's body and another health care system for one's teeth and yet another one for one's eyes.
09:19:57 From Josie Silverman-Mendez (she/her), Willamette Health Council to Hosts and panelists:
I hear you, Matt!
09:28:31 From Kristina Narayan *Gov to Hosts and panelists:

https://www.oregon.gov/oha/OHPB/MtgDocs/4.%20Advisory%20Group%20on%20Medicaid%20Sustainability%20Report%20to%20Governor%20Kotek%20Final.pdf
09:28:41 From Kristina Narayan *Gov to Hosts and panelists:
^ full report
09:38:38 From Kristina Narayan *Gov to Hosts and panelists:
i need to hop off, thank you.
09:40:02 From Javier Cervantes, Gov. Office (El, He, Him, His) to Hosts and panelists:
If you can ask your questions in the chat would be helpful
09:40:37 From Javier Cervantes, Gov. Office (El, He, Him, His) to Hosts and panelists:
POPs and LC's that align committee priorities. What are those?
09:41:00 From Javier Cervantes, Gov. Office (El, He, Him, His) to Hosts and panelists:
OHA and DHS (above)
09:44:21 From Josie Silverman-Mendez (she/her), Willamette Health Council to Hosts and panelists:
OHP enrollment assisters

Committee	Possible New/Current Priorities	Other Themes
Health Equity & Human Services	• Preservation of Medicare, Healthier Oregon, SNAP o Understand Budget Context for Oregon Health Authority (OHA) and Dept. of Human Services (DHS) • Behavioral Health • Community Care Organizations (CCOs) • Traditional Healthcare Workers (THWs)	• Periodic updates on the Behavioral Health Talent Council • Coordinated Care Organizations procurement process (ensuring equity-based approach to development and implementation of CCO contracts) • SNAP Data and Privacy Updates (April meeting) • CCO credentialling and simplifying the process and charges OHA • Funding specified directly for CBO's re: HR1 implementation (Feb. meeting) • Rural Health Transformation Program Overview (OHA) Updates • Addressing Racism as a Public Health Crisis (HB 4052)

Final Report: Advisory Group to the Governor on Medicaid Sustainability

July 7, 2026

Kristina Narayan
Bruce Goldberg, MD

Grounding

~1.4 million Oregonians rely on the Oregon Health Plan (OHP)

57% of Oregon children receive care through OHP

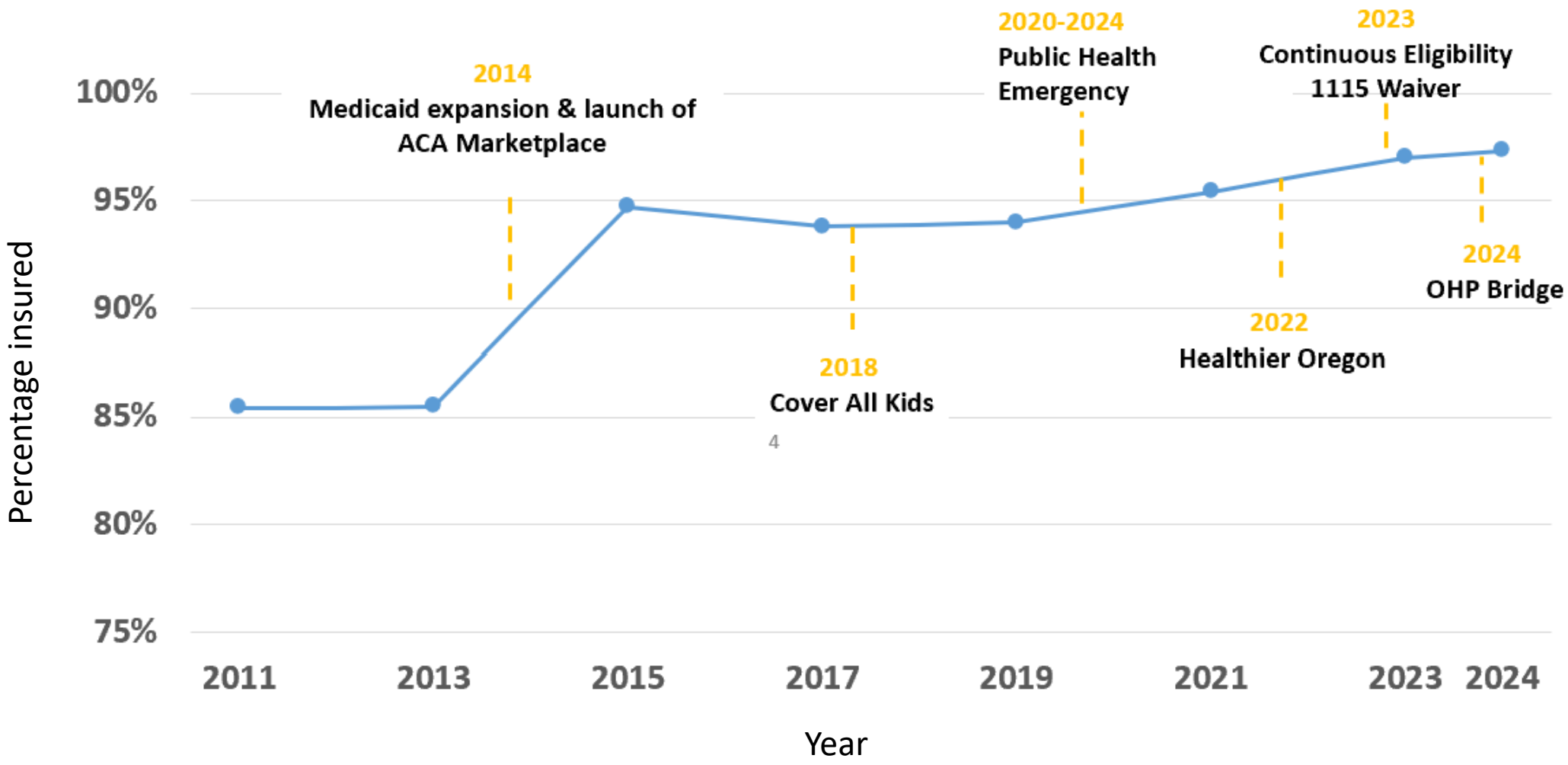
~ 200,000 low-income adults are estimated to lose Medicaid coverage because of H.R. 1

$9.41 billion state and federal funds revenue lost by 2031 due to H.R. 1 policies

Health Insurance Coverage Since 2011

Oregon achieved an overall coverage rate of 97.3% in 2024

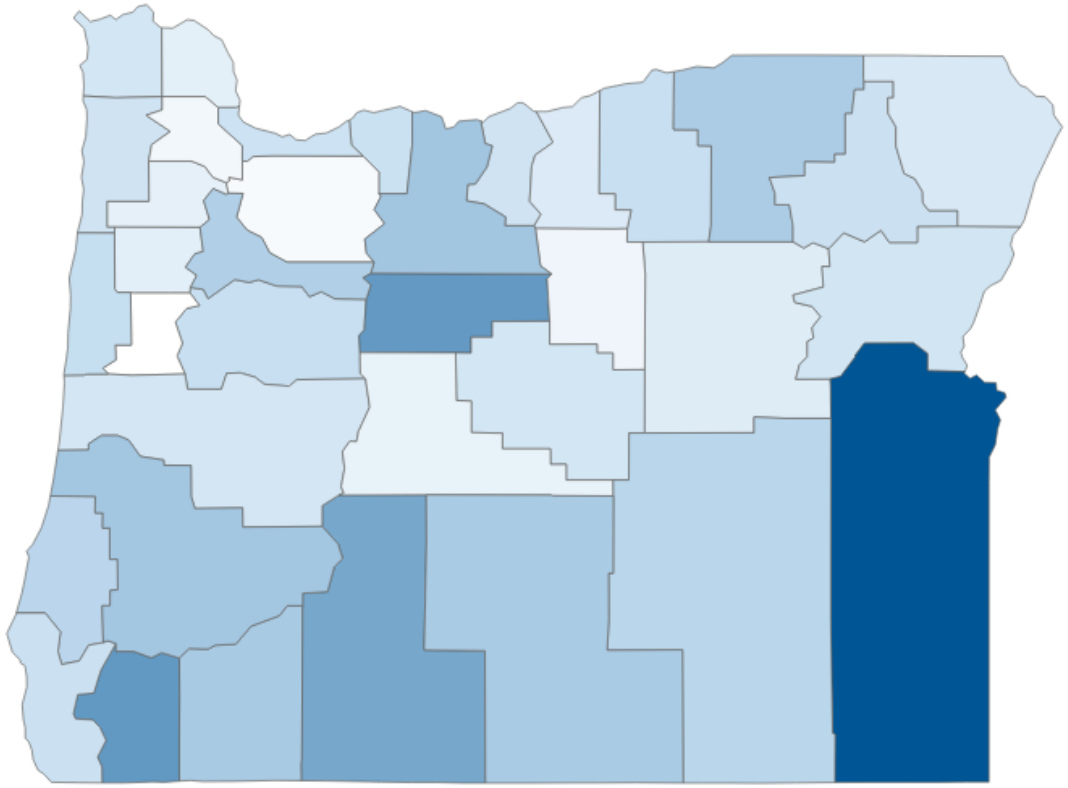
Notable changes in OHP enrollment



Statewide Concern

Percent of the population enrolled in OHP

Based on population estimates as of July 2025



County	County Color	# Enrolled	County Population	% Population Enrolled
Malheur		16,617	31,453	52.8%
Josephine		40,521	89,686	45.2%
Jefferson		11,629	25,768	45.1%
Klamath		30,096	69,135	43.5%
Wasco		10,615	26,403	40.2%
Douglas		44,228	110,355	40.1%
Jackson		87,854	221,471	39.7%
Lake		3,280	8,297	39.5%
Umatilla		32,237	81,784	39.4%
Marion		137,380	352,162	39.0%
Harney		2,839	7,401	38.4%
Coos		24,925	65,124	38.3%
Lincoln		18,774	50,428	37.2%
Linn		47,836	130,322	36.7%
Morrow		5,327	14,604	36.5%
Hood River		8,735	24,361	35.9%
Union		9,353	26,239	35.6%
Curry		8,327	23,375	35.6%
Multnomah		283,912	805,583	35.2%
Sherman		695	2,001	34.7%
Total		**1,421,622**	**4,301,164**	**33.1%**

Why are we here? H.R. 1 Changes

- Coverage Loss Elements:
  - New “work” or community engagement for some OHP members
  - More frequent eligibility checks
  - Certain lawfully present immigration exclusions
- An estimated 200,000 adults will lose coverage due to new administrative requirements

H.R. 1 Changes, cont.

- Federal funding cuts:
  - Provider assessment rate decline
    - New provider taxes and increases to existing taxes before 6/4/25 are prohibited.
    - The maximum tax rate on provider taxes must phase down from 6% to 3.5% by lowering the maximum tax rate by 0.5% per year beginning October 1, 2027.
  - Directed payment limits
    - New SDPs must limit the total payment rate to 100% of published Medicare payment rates.
    - Oregon's current SDPs are maintained but will need to reduce payment rates by 10 percentage points per year, beginning in 2028, until they are no greater than 100% of Medicare payment levels.
  - No new provider assessments (frozen in time)

H.R. 1 Impacts: People, Funding

DRAFT for discussion purposes 11/24/2025			Estimated Biennial Budget Impact (in Millions)								
			2025-27			2027-29			2029-31		
Provisions that reduce OHP Caseload, leading to budget savings *	Section	Effective Date	General Funds	Other Funds	Federal Funds	General Funds	Other Funds	Federal Funds	General Funds	Other Funds	Federal Funds
Qualified non citizen definition change	71109	10/1/2026									
Work Requirements	71119	12/31/2026									
Redeterminations	71107	12/31/2026									
OHA Program Budget Savings Estimate			**5**	**-**	**(70)**	**(412)**	**-**	**(2,540)**	**(630)**	**-**	**(3,214)**
Provisions that Create Budget Challenges	Section	Effective Date	General Funds	Other Funds	Federal Funds	General Funds	Other Funds	Federal Funds	General Funds	Other Funds	Federal Funds
Provider Tax Changes	71115	10/1/2027 on passage, reductions start 1/1/2028	-	-	-	233	(331)	(229)	599	(856)	(600)
State Directed Payment Changes - Hospitals	71116		-	-	-	66	(96)	(70)	20	(44)	(55)
State Directed Payment Changes - IGT	71116		106	(156)	(105)	473	(685)	(473)	814	(1,178)	(814)
Healthier Oregon Program Emergency 90% to Title XIX	71110	10/1/2026	22		(22)	61		(61)	65		(65)
OHA Program Budget Challenges Estimate **			**128**	**(156)**	**(127)**	**833**	**(1,112)**	**(833)**	**1,498**	**(2,078)**	**(1,534)**
Total Estimated Program Impacts			**133**	**(156)**	**(197)**	**421**	**(1,112)**	**(3,372)**	**868**	**(2,078)**	**(4,748)**
Total Estimated State Funds Need - OHA Program			**133**			**421**			**868**		
Percentage of 2025-27 OHA Medicaid Program State Funds Budget			**1%**			**5%**			**10%**		

*The caseload estimates are not based on the official caseload forecast. The official forecast will be updated at a later time. These estimates are for discussion and magnitude purposes only. Changes in the caseload estimates are highly variable.

**Insurer's Assessment Revenue impact has not been estimated.

Governor's Advisory Group on Medicaid Sustainability

Established by the Governor in November:

- To develop an understanding of H.R. 1's impact
- To accelerate planning and seek initial advice ahead of Governor's Recommended Budget process
- Identify ways to mitigate some of the harm and stabilize the core tenets of the Medicaid program
- The advisory group's focus was primarily on 2027 and beyond, but included any that could start during this biennium
- Protect health insurance coverage for Oregonians
- Maintain access and benefits to greatest extent possible

Group is Advisory in Nature

- The Governor is not obligated to adopt or otherwise pursue development of the options produced by the advisory group.

- The options presented in this report do not constitute decisions or opinions of the Governor.

Guiding Principles

- Invest in Oregonians: recommendations must support Oregonians' ability to thrive.
- Protect health care coverage to the greatest extent possible, consistent with Oregon Constitution.
- Aspire to maintain an adequate network of health providers and front-line workforce necessary to meet community health needs.
- Review recommendations with an equity lens, avoid deepening inequities and prioritize consumer affordability.
- Share and coordinate commitment to the Medicaid program across the health care sector and state leadership.

Principles, cont.

- Use data-driven insights to leverage the demonstrable strengths of the Coordinated Care Model, avoid anecdote, relying on strategies that are high-value, shown to improve quality, lower costs and maintain access to care.
- Identify and address underlying controllable factors that drive cost trends.
- Minimize administrative burden to ensure resources are directed to the provision of health care services.
- Preserve quality of care and prioritize prevention-based interventions.
- Understand system-wide impacts of recommendations, ensuring recommendations are broad-based and strive for alignment across market efforts.

Participants

Member	Organization	Member	Organization
Mindy Stadtlander	Health Share of Oregon	**Jennifer Burrows**	Providence Hospitals and Health Systems
Sean Jessup	Eastern Oregon Coordinated Care Organization (CCO)	**Jeremy Davis**	Grande Rhonde Hospital
Max Janasik	AllCare Health	**Becky Hultberg**	Hospital Association of Oregon
Brent Eichman	Umpqua Health Alliance	**Megan Haase**	Mosaic Community Health
Eric Hunter	CareOregon	**Carla McKelvey**	Oregon Medical Association
Felisa Hagins	Service Employees International Union	**Shereef Elnahal**	Oregon Health and Science University
Ann Tan Piazza	Oregon Nurses Association	**Olivia Quroz**	Oregon Latino Health Coalition
Sejal Hathi	Oregon Health Authority (OHA)	**Wendy Watson**	Kaiser Foundation Health Plan & Hospitals of the Northwest
TK Keen	Department of Consumer and Business Services (DCBS)	**Teri Barichello**	Delta Dental of Oregon

Scope

- In Scope:
  - Medicaid budget within the Oregon Health Authority.

- Out of Scope:
  - Budgets outside of the Oregon Health Authority.
  - Long term care and long-term services and supports administered by the Oregon Department of Human Services.
  - Programs within the Oregon Health Authority or Department of Consumer and Business Services that are outside of Medicaid, Marketplace or the Reinsurance Program.
  - Recommendations that affect collective bargaining agreements.

How the Group Worked

- Discussed guiding principles to anchor its work, including preserving coverage levels, protecting access to care to the extent possible, and advancing solutions that are operationally feasible within the state's delivery system.
- Performed a comprehensive review of Medicaid landscape, including enrollment trends, financing mechanisms, spending patterns, utilization patterns and key cost drivers.
- A focus on key categorical areas informed by the above.
- Developed a range of budget options which were analyzed by OHA and actuarial consultants.

How the Group Worked, cont.

- Participants brought different lenses to the discussion, including concerns about access to care, provider sustainability, administrative feasibility, and the long-term stability of the Medicaid program.
- The options identified by the advisory group span administrative, benefit scaling, operational, and financing approaches, reflecting the group's charge to balance program sustainability with continuity of coverage.
- Options did not include any reduction in enrollment.
- Options include short-term actions for 2027-29 and longer-term strategies and program advice.

Options

- The report contains 46 options.
- The options represent strategies informed by the data reviewed by the advisory group.
- Not everyone in the group endorses all of these options.
- The Governor is not obligated to pursue any option presented in the report; the Governor will be briefed on the analysis and discussion that led to the options over the course of the next few months.

Categories of Options Discussed

Since Fall 2025, the Advisory Group has reviewed and discussed several options to improve OHP program efficiencies, review Oregon's benefits, and adjust administration of the benefit to mitigate for H.R. 1 impacts.					
CCO Structure	Clinical Efficiency / Utilization Management	Provider Rates	Pharmacy	Benefit Changes	Across-the-Board Budget Changes
Options related to back-end administrative efficiencies, changes to the CCO/fee-for-service delivery/financing model	Options to improve efficiency in the delivery of services and reduce unnecessary utilization	Options that change rate of payment	Options to restructure the pharmacy benefit to capture maximum savings	Options where (1) scope is reduced for optional or mandatory benefits; and (2) coverage for optional benefits is removed	Options to reduce the OHA Medicaid (managed care and fee-for-service) by a target percentage.
Examples					
Single broker for non-emergent medical transportation; improved claims processing	Additional clinical efficiency criteria; utilization management for certain services	Normalize outpatient psychotherapy rates	Review pharmacy claims for inefficient spending; establish a single Preferred Drug List	Prior authorization or other service limits for optional benefits	Reduce Medicaid budget by 1%

Options: Adjusting CCO Structure

Key Question: What savings can be achieved by streamlining the number of actors in the overall administration of the physical and dental health benefit?

Options Identified:

- Administrative simplification to reduce admin costs 1%-3%
- Streamline the number of CCOs
- Changes to DCO contracting
  - Fee-for-service carve out
  - Single DCO

Options: Clinical Efficiency/Utilization Management

Key Question: Where does the data show high utilization of low value care or avoidable care, and how does Oregon's data compare to other states?

Options Identified:

- Increase "clinical efficiency" in capitation rates from 50%-75%
- HERC to identify clinical efficiencies and high-volume high-cost services
- Reduce neonatal intensive care unit days
- Expand Health Share of Oregon high acuity behavioral health model
- Changes to non-emergent medical transport contracting

Options: Normalize Provider Rates

Key Question: Where do outlier rates exist and how do they compare to rates across the system?

Options Identified:

- Normalize those provider rates where the rate exceeds Medicare and commercial rates.

Options: Pharmacy Administration

Key Question: What can we learn from other states who have employed different strategies to get better value for their pharmaceutical spend?

Options Identified:

- Review claims for inefficient spend
- Sunset “provider prevails” for select non-preferred drugs
- Implement a single Preferred Drug List
- Implement a combined single Preferred Drug List and Single Pharmacy Benefits Manager

Options: Scope of Optional Benefits

Key Question: How does Oregon's benefit package compare to other states?

Options Identified:

- Protect optional benefits by reviewing initial limits.
- Eliminate certain optional benefits.

Options: Across the Board Budget Changes

Key Question: Could an across-the-board reduction be more predictable for providers than multiple intervention and system changes?

Options Identified:

- Across the board OHA Medicaid budget reductions inclusive of provider rates and fee for service payments.
  - Ranges from 0.5% to 4%
  - Discussion about insulating preventative care

Main Themes, Takeaways

- A preference for looking at administrative efficiencies before rate or benefit cuts, including a focus on how to get better value in the state's pharmaceutical purchasing.
- A preference for clinical review of optional benefits, preserving them.
- A preference for maintaining adult dental services as an important part of a benefits package.
- The budget gap grows significantly in 2029-31.
  - Need to focus on ideas that will help assure long term sustainability.
- Caution that some of the "utilization" reductions can be a rate cut if not incentivized appropriately to achieve behavior change.

Next Steps

- Advisory group has concluded but budget process is just beginning
- Governor Kotek will review the report and be briefed by staff
- Budget figures and needs will change based on the overall enterprise environment, including but not limited to caseload forecasts (September)
- Governor's Recommended Budget by 12/1 (ORS 291.218)
- Legislative session begins
- Legislature to adopt the final budget