Progress and Impact Mid-Biennium Report: Health Evidence Review Commission (2025-2027)

The Health Evidence Review Commission (HERC) has a budget of approximately $3.4 million for the 2025-27 biennium. This total is comprised of $1.7 million in General Funds and $1.7 million in Federal Funds.

Program background and summary

The HERC's primary task is to make decisions about covered services and medical necessity policy for the Oregon Health Plan (OHP), using its unique public process. HERC decisions influence OHP coverage policy for member services across several areas such as physical, oral and behavioral health. The bulk of the Commission's work is to guide appropriate utilization for surgeries, procedures, therapies and diagnostic tests so that medically necessary services are uniformly covered for OHP members. The Commission is made up of volunteers, and the complexity and scale of their scope requires careful management.

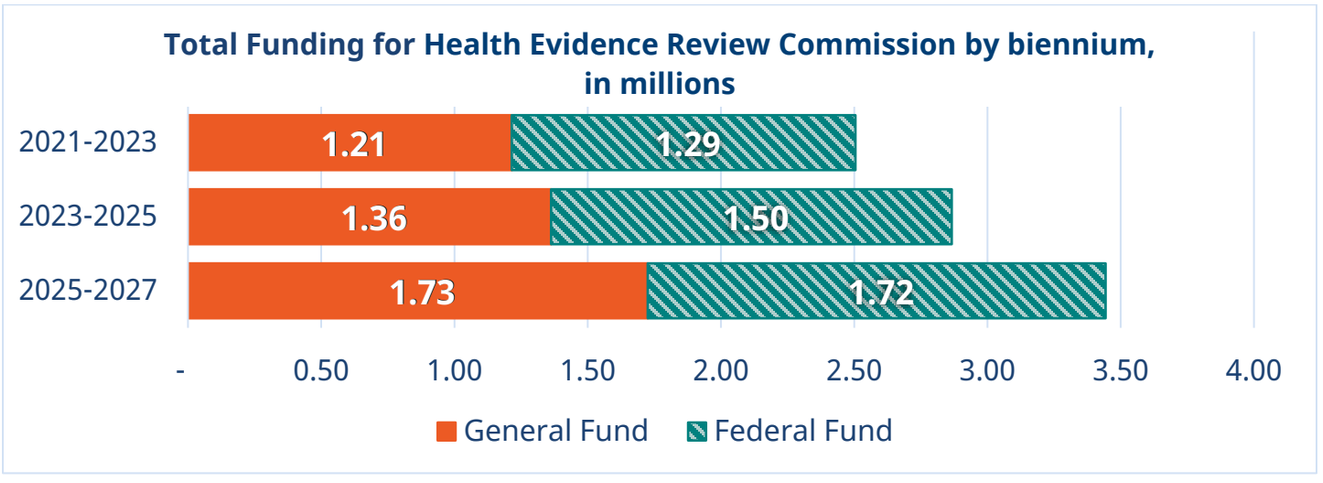
According to the Office of Actuarial and Financial Analytics, OHP spending across all these areas (not including hospital services and prescription drugs) exceeded $4 billion in 2024. In addition, the Commission's work allows services that are not medically necessary to be denied based on evidence-based criteria across OHP's Fee-for-Service and Coordinated Care Organization systems, the Bridge Plan and Healthier Oregon. These policies affect the management of these benefits for over 1.4 million people in Oregon and supports consistent, evidence-informed policy regardless of which CCO a person is enrolled in. To help inform this work, the Commission also produces evidence-based reports which inform its own decisions and may guide those of other payers.

Trends and outcomes summary

The primary intent for the HERC was to develop the Prioritized List of Health Services (Prioritized List) which serves a key role in guiding the benefits expenditures for OHP based on evidence related to the safety and effectiveness of these services. The Prioritized List has supported the state in covering more individuals on OHP by limiting benefits to those that are most important. Today, in the context of the Affordable Care Act coverage expansions, HERC helps ensure good stewardship of tax dollars and ensures access to important services by setting clear policy about what services within the benefit package must be covered by all 15 CCOs.

Since HERC was established in 2012, it has released at least two revisions to the Prioritized Lists per year. In some years it has produced additional revisions to address urgent issues such as new billing codes or the COVID-19 pandemic. Keeping the Prioritized List up-to-date keeps OHP responsive to new technology, evidence, standards of care and OHP member needs, and supports responsible use of funds.

Program funding



Objectives, outputs and outcomes

The columns below include select measures of the work of HERC in the first 12 months of the 2025-27 biennium.

Objective 1:

Maintain the Prioritized List of Health Services.

Outputs:
Six HERC public meetings were held to receive public input and make decisions about services on the Prioritized List as well as nine subcommittee meetings.

Updated versions of the Prioritized List were published on 9/1/2025, 12/1/2025, and 2/1/2026.

Revise the Prioritized List for compliance with the end of Oregon's 1115 waiver.

Outcomes:
Clear, evidence-based policy is made available, developed via a transparent process to guide coverage and medical necessity decisions for OHP across Oregon's 15 CCOs.

With the revised role of the Prioritized List, OHP members continue to have evidence-based services and CCOs will have consistent, evidence-based policy to rely on.
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Objective 2:

Develop evidence-based reports to guide coverage policy.

Outputs:
Reports currently in development:

- Hypoglossal nerve stimulation for sleep apnea
- Disposable vs. traditional insulin infusion pumps for Type 1 Diabetes

Outcome:
Robust evidence-based reports to inform coverage policy.

Improved decisions and support of decisions about coverage for medical services that may otherwise be denied by CCOs and other Oregon health plans.

Policy changes related to these topics are incorporated into the Prioritized List.

Objective 3:

Reproductive health services evidence reviews and recommendation.

Output:
Reproductive Health Services report, including a review of coverage of reproductive and preventative services in ORS 743A.067 (2), will be published by November 1, 2026.

Outcome:
The Oregon Legislature has recommendations, information by evidence and HERC's public process, to make any needed changes to this.

Considerations

The Prioritized List of Health Services has been authorized to date as part of OHA's 1115 Medicaid waiver. Beginning in 2027, the Prioritized List will serve as clinical coverage policy to guide coverage decisions for OHP, but will no longer be part of OHA's 1115 Medicaid Waiver. Some services that haven't been covered in the past will become newly covered, as required by federal law in the absence of Oregon's past waiver. This extra effort has been conducted without additional resources allocated to the HERC team.

Other formats and languages

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact the Financial Investments and Outcomes Office at ashley.gonzalez@oha.oregon.gov or 503-269-1492 (voice/text). We accept all relay calls.

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