

Primary Care Strategy Committee

August 20, 2026, Meeting Minutes

Key takeaways

- OHA will reinstate all coordinated care organizations (CCOs) value-based payment (VBP) requirements in 2027, adding flexibility through shared-savings options and exploring models in additional specialty areas.
- OHPB approved all three components for the legislative concept (LC):
 1. Per-member-per-month (PMPM) payments for Patient-Centered Primary Care Homes (PCPCHs)
 2. Changes to the Primary Care Spending in Oregon Report
 3. Stabilizing primary care via timely value-based payment-related quality measure performance payments
- The Governor's Advisory Group on Medicaid Sustainability Final Report details \$7–9B in federal funding cuts, with an estimated 200,000 potential coverage losses; OHA is working to reduce procedural (completing renewal paperwork) disenrollment.
- Primary care financial sustainability discussions emphasized the need for sustainable primary care payment models, stronger multi-payer alignment, and practical workforce strategies beyond loan repayment.
- Workforce challenges remain significant, with discussion of sustainable compensation for team-based care, loan repayment, flexible care models, and clearer messaging about the importance of primary care across partners.

Attendance:

Attended	Name
Yes	Betsy Boyd-Flynn
Yes	Carly Hood-Ronick
Yes	Cathy Merz
Yes	Danielle Sobel
No	Deb Patterson

Yes	Deborah Cohen
No	Douglas Lincoln
Yes	Elise Phelps
Yes	Erik Vanderlip
Yes	Grant Kennon
No	Linda Lang
Yes	Lisa Reynolds
No	Lorenzo Perez
No	Nicolas Powers
No	Raffaella Betza
Yes	Ricardo Palazuelos
Yes	Shelby Lee Freed
Yes	Steve Fritz
Yes	Tracy Muday
Yes	Claire Pierce-Wrobel, ex officio
Yes	Jesse O'Brien, ex officio

In addition, Tony Germann, OHPB Vice-Chair and liaison to the committee, was in attendance.

Meeting start, agenda review

Vice chair Betsy Boyd-Flynn welcomed the committee and reviewed the agenda.

Clare Pierce-Wrobel provided an update on the CCOs VBP contractual requirements in 2027. OHA has four categories of VBP requirements for CCOs that will all be reinstated in 2027: an overall VBP spending target, an advanced VBP spending target, care delivery area VBPs, and payments for PCPCHs.

Senator Lisa Reynolds asked how these requirements support PCPCHs. Clare responded that changing the advanced VBP target to include shared savings will help CCOs respond to providers' desire to not take on risk.

Doug Lincoln asked how prescriptive the requirements are. Clare responded that CCOs have a lot of flexibility and that OHA is not privy to the details of contracts CCOs have with providers.

Doug asked about the impact of federal changes to state directed payments (SDPs) rules. Clare noted that there are a number of changes that limit new SDPs and the

growth of existing SDPs. She will bring that detail back to the PCSC at a future meeting.

Betsy asked about the feasibility of publishing a more granular breakdown of VBP implementation by care delivery area, specifically for primary care and hospital, using available data from the All Payer All Claims database. Summer Boslaugh responded that OHA will explore this and report back.

Tracy Muday commented that if there is a set amount of payment for primary care increasing funds paid through PCPCH payments results in decreasing paid funds paid through VBP.

Public comment

There was no public comment.

OHPB legislative concept (LC) decision

Betsy reported that OHPB unanimously approved all three components for the legislative concept (LC):

1. Per-member-per-month (PMPM) payments for Patient-Centered Primary Care Homes (PCPCHs)
2. Changes to the Primary Care Spending in Oregon Report
3. Stabilizing primary care via timely value-based payment-related quality measure performance payments

Minor changes to the third component were made clarifying that it 1) relates only to quality measure performance payments and 2) requires payers to offer to pay prospectively, and practices can decide if they want to accept the offer.

Senator Reynolds pointed out that the Quality Incentive Program (QIP) has been gutted leaving fewer dollars for quality measure performance payments.

Betsy clarified that the QIP applies only to Medicaid CCOs, while VBPs are broader, encompassing commercial carriers. The bill aims to cover all regulated carriers, not just Medicaid.

Jessie O'Brien raised concerns about the Department of Consumer and Business Services' (DCBS's) capacity to evaluate VBP models, suggesting the need for clear guidelines and potential resource allocation if DCBS is tasked with enforcement.

Betsy acknowledged these concerns and emphasized the importance of addressing them during drafting and rulemaking.

Betsy outlined the timeline for drafting, reviewing, and submission of the legislation, noting the dual approach of seeking both agency bill status and legislative sponsorship, with ongoing updates to the committee and opportunities for amendments.

Tony noted that OHPB is learning about its role in bringing legislation through the agency to the executive branch. OHPB leadership made the strategic decision to pursue two paths to bring the LC to legislators in the 2027 session:

1. Continue the executive branch process
2. Begin search for a legislator to introduce the concepts

Governor's Advisory Group on Medicaid Sustainability Final Report

Senator Lisa Reynolds presented the options outlined in the Governor's Advisory Group on Medicaid Sustainability Final Report, detailing anticipated federal funding cuts, projected enrollment losses, and cost-cutting options.

Senator Reynolds explained that HR 1 will result in a \$7-9 billion reduction in Medicaid funding over five years in Oregon, primarily affecting the expansion population, with an estimated 200,000 Oregonians expected to lose coverage due to work requirements and procedural (completing renewal paperwork) disenrollments.

The report presents five main cost-cutting strategies: restructuring CCOs, clinical efficiency/utilization management, provider rate reductions, pharmacy benefit reforms, and limiting optional Medicaid benefits such as adult dental and alternative therapies.

Ricardo Palazuelos asked whether the 200,000 figure was cumulative or based on renewal frequency. Clare clarified that the estimate is based on current data and anticipated procedural disenrollments. She described efforts to inform affected members and CCOs about upcoming requirements, renewal dates, and exception categories, aiming to reduce procedural disenrollments through proactive outreach and data collection.

Ensuring financial sustainability for primary care

Carly Hood-Ronick and Betsy led a presentation on financial sustainability for primary care, reviewing Oregon's current initiatives, comparing approaches in other states, and outlining actionable and aspirational strategies.

Betsy summarized Oregon's primary care spending report, work of the Primary Care Payment Reform Collaborative, PCPCH standards, and VBP activities. She noted the state's progress and limitations in influencing all segments of the insurance market due to ERISA preemption.

Betsy discussed how states like Massachusetts, California, and others are pursuing higher primary care spend targets and enforcement mechanisms.

Carly outlined practical steps such as requiring PMPM payments for PCPCH practices (which is one of the three ideas in the LC), ensuring quality incentive payments supplement revenue, expanding use of advanced care codes, and supporting team-based care through payment models.

Betsy described more challenging options including raising Medicaid reimbursement rates, multi-payer alignment pilots, enforcing VBP models across payers, and expanding social risk adjustment, noting the need for enforcement authority and the potential for pilots.

Deb Cohen commented that which employers/payers should pay for what is like a hot potato. She noted that many employers don't want to pay for care they don't think their employees will use. She emphasized the need to identify what it costs to care for a population and get payer alignment.

Cathy Merz noted that the appetite to take this on is high among brokers and insurers. She highlighted the shrinking number of payers and rising costs as drivers for collaborative solutions.

Workforce strategy opportunities

Members discussed workforce challenges, compensation disparities, and potential solutions.

Deb proposed a simplified approach to workforce planning by calculating needed professionals based on county population, panel sizes, and high-priority roles, referencing a similar effort in California.

Doug pointed out that it's not that complicated, PCPs need sustainable payment. Loan repayment is helpful, but it is a band aid on a wound that has already been cut. Loan repayment is not enough; payment parity is needed.

Betsy asked about workforce incentive programs in place in other states now and if we know how they are working.

Erik Vanderlip stressed the importance of maintaining flexibility and openness to new care models, technology, and provider roles, cautioning against overly prescriptive approaches that may hinder adaptation to evolving health care needs.

Cathy noted that clear, consistent and simple messaging by providers, insurance companies, employers who provide insurance, and insurance brokers is critical to have the system be efficient and work as we on the committee all intend it to.

Doug pointed out that the benefits of autonomy in private practice offsets some of the payment disparity but not all. As demands increase, more and more clinicians will leave primary care.

Guiding principles

Betsy presented updates to the guiding principles, highlighting changes and additions, and invited feedback from committee members on further modifications.

Steve Fritz suggested adding language to emphasize partnership with providers, noting past issues with provider engagement and the importance of treating clinicians as key stakeholders.

2027 Health Care Workforce Needs Assessment

Neelam Gupta, OHA Director of the Clinical Supports, Integration and Workforce Unit, described the scope of the upcoming workforce needs assessment report, covering supply, distribution, scope of practice, and unmet needs, and invited committee members to participate in reviewing and contributing to the draft.

Closing comments and adjourn

OHA staff will send a follow-up email to committee members sharing the opportunities to provide input on the draft Health Care Workforce Needs Assessment.

Betsy said the next meeting is Thursday, September 17, noon to 2 p.m.