



December 2, 2025



Benefit Update Project (BUP) Workgroup: Meeting #8

BUP Workgroup Meeting Agenda & Goals



Agenda:

- **Recap 11/18 Workgroup Meeting**
- **Review additional recommendations**
- **Discuss next steps**



Goals:

- Align on final recommendations



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Recap Previous Workgroup Meeting

11/18 Meeting: Takeaways and Action Items (1/2)

Key Takeaways	Corresponding Action Items
<ul style="list-style-type: none">OHA's Office of Actuary and Financial Analytics (OAFA) team presented on slides that outline BUP-related cost estimates. OAFA anticipates BUP-related changes to increase CCO rates by 0.7% compared to CY24 base.	<ul style="list-style-type: none">Action Item: OAFA to investigate additional data sources.
<ul style="list-style-type: none">Workgroup voted on the final Preamble language and recommendations 0-7 (except 2a-c) – <i>final language is in later slides</i>	<ul style="list-style-type: none">Action item: OHA submitted Legislative Concept with Workgroup's preamble and recommendations (11/19)
<ul style="list-style-type: none">Workgroup suggested changes to recommendations to items 2a-2c and the tools CCOs will have for utilization management – <i>revised language is in later slides</i>	<ul style="list-style-type: none">Action item: Recommendation language was revised; Workgroup to vote today (12/2)

11/18 Meeting: Takeaways and Action Items (2/2)

Key Takeaways	Corresponding Action Items
<ul style="list-style-type: none">Some workgroup members raised concerns about increased denials and administrative burden as a result of removing the funding line for pharmacy benefits, especially for medications currently denied based on the funding line.Workgroup members indicated that while CCOs still have utilization management tools available, including prior authorization, some raised questions about the expanding role of prior authorization more broadly as a cost containment tool, with specific concerns about provider burden and consistency across CCOs and FFS.	<ul style="list-style-type: none">Action item: HERC and/or P&T Committee to consider leveraging existing CCO data to inform policies and procedures in the future state.
<ul style="list-style-type: none">Workgroup members emphasized the importance of improving consistency of coverage across OHP (CCO and FFS) and members expressed support for a legislative recommendation to ensure FFS processes match those of CCOs, particularly for quality and compliance regarding denials and appeals.	<ul style="list-style-type: none">Action item: Recommendation on FFS/CCO alignment included in 11/19 package to Rep. Nosse.

Reminder: Legislative Next Steps

The BUP Workgroup's recommendations were submitted to the state legislature for consideration in a BUP legislative package in 2026.

Nov 19: Submit Initial BUP Legislative Recommendations

- OHA submitted initial recommendations from the BUP workgroup to the state Legislature
- OHA met with Representative Nosse
- *(See Appendix for summary of recs shared with Rep. Nosse)*

Dec 2: Finalize Additional Recommendations

- Revisit additional recommendations
- Discuss potential OHA-led activities to support the phase out of the Prioritized List that do not require legislative action

February 2026: Short Session

- Legislature will vote on bill.
- Other opportunities for public comment on BUP activities:***
- Phase-out plan
 - Rulemaking



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Discuss Additional Recommendations

Revised HERC Prioritization / Budget Consideration Recommendation – *For Discussion and Vote*

- ❑ **Modified** – 2a: OHA shall consult with HERC prior to making reductions in Oregon Health Plan benefits.
- ❑ **New** – 2b: OHA shall consult with the Medicaid Advisory Committee and the Beneficiary Advisory Council whenever reductions are proposed to Oregon Health Plan benefits.
- ❑ **Modified** – 2c: OHA shall implement greater utilization data monitoring to inform modification of HERC Clinical Coverage Policies.

Additional Recommendations – *For Discussion*



New: Pharmacy – OHA shall release clear guidance that CCOs will continue to have the same utilization management tools for pharmacy that are available to CCOs today.

Additional Recommendations – *For Discussion*



Communications and Technical Assistance – Workgroup members have highlighted the importance of:

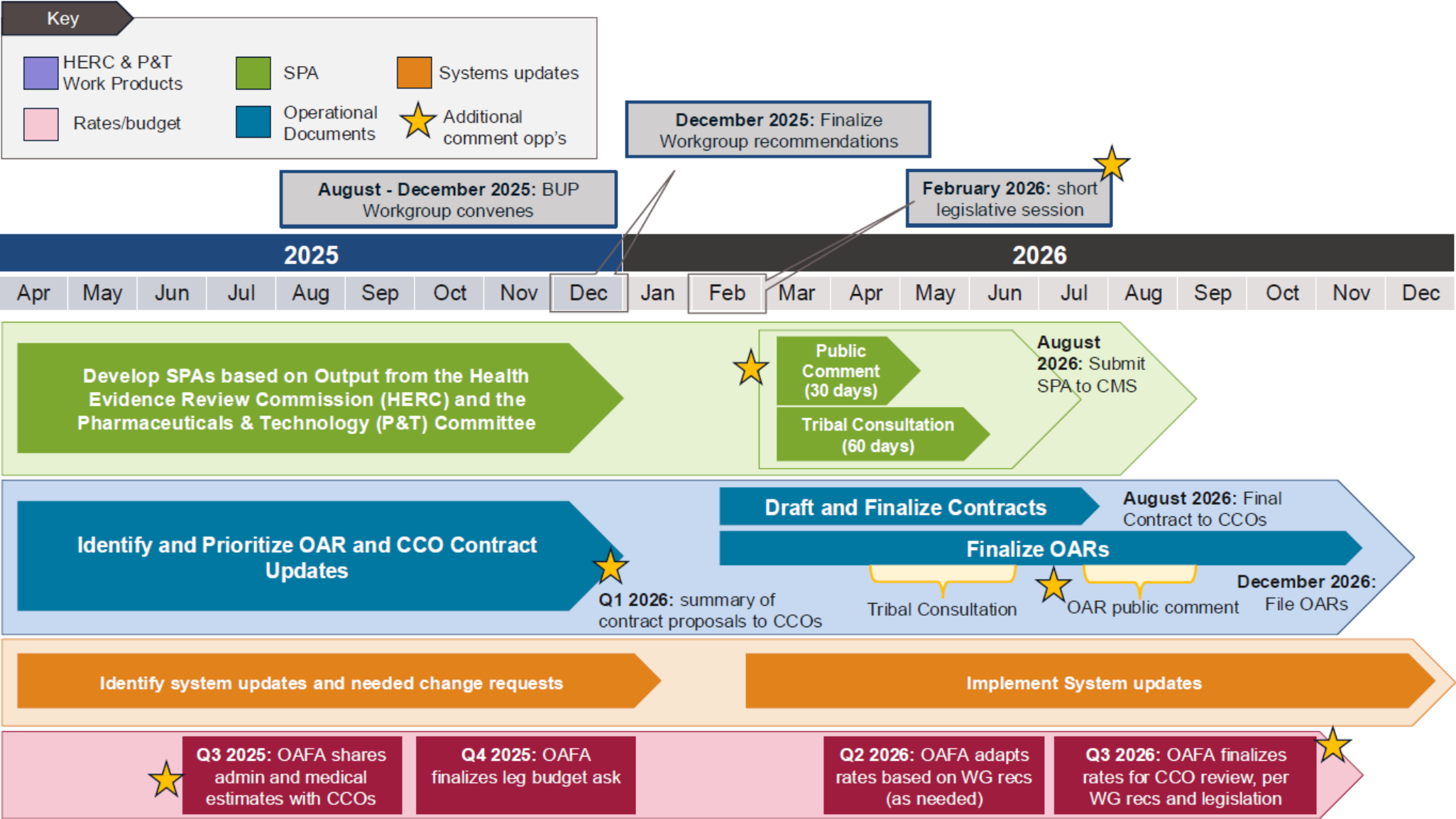
- Advisory panels (e.g., oral health, behavioral health) will be key in the transition to the future state.
- Improving communication about the transition, including information for members and providers regarding what can be appealed and how members will be notified of decisions based on medical necessity.



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Next Steps

Recap: BUP Timeline



Thank you for your participation!

Please continue to engage with us on the Benefit Update Project at these regular forums:

- CCO Quality and Health Outcomes Committee Meetings:**

Monthly updates on the Benefit Update Project.

- Health Evidence Review Commission (HERC) Public Meetings:**

Review of "below the line" services for potential new coverage in the Oregon Health Plan (OHP), according to the [project work plan](#).

- Ad-Hoc Technical Office Hours:**

Sessions for CCOs and providers to discuss technical implementation topics, as needed.

- 1115 Waiver 'All Come' and 'Para Todos' Meetings, and Medicaid Advisory Committee Meetings:**

Approximately quarterly updates on the Benefit Update Project.



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Appendix: Summary of Recommendations to Date

Summary of Recommendations Sent to Rep. Nosse (1 of 4)

Preamble:

- The Oregon Health Authority (OHA) and the Centers for Medicare & Medicaid Services (CMS) have determined that Oregon's Prioritized List of Health Care Services (the Prioritized List) must be phased out as of January 1, 2027.
- In this context, OHA, in collaboration with the Governor's Office and Legislative leaders, chartered the Benefit Update Project (BUP) Workgroup and tasked the Workgroup to make recommendations to transition away from the Prioritized List, while retaining its core components and functions. The BUP recommendations are made within these parameters, but not all Workgroup members endorse those parameters. The BUP Workgroup has continually expressed the importance of maintaining the Health Evidence Review Commission's vital work. The BUP Workgroup has also expressed commitment to identifying opportunities to improve member experiences, improve consistency across OHP, and equitable health outcomes, within the Oregon Health Plan.
- The Legislature should adopt legislation based on the following recommendations.

Summary of Recommendations Sent to Rep. Nosse (2 of 4)

#	Recommendation	Status
0	Recommend to continue the prioritized list in the state plan in 2027, if possible.	Approved
1	<p>The Legislature and OHA should revise statute and OARs to maintain key HERC roles and the spirit of the Prioritized List. The Clinical Coverage Policies should replace the Prioritized List and, to the extent possible, maintain HERC's current:</p> <ul style="list-style-type: none"> • Evidence-based, transparent, population health approach • Independence from agency and Legislature • Membership • Role in specifying which services (code pairings, coverage guidelines, statements of intent) that should and should not be covered as a general rule 	Approved
2	<p>2a: OHA shall consult with HERC prior to making reductions in Oregon Health Plan benefits.</p> <p>2b: OHA shall consult with the Medicaid Advisory Committee and the Beneficiary Advisory Council whenever reductions are proposed to Oregon Health Plan benefits</p> <p>2c: OHA shall implement greater utilization data monitoring to inform modification of HERC Clinical Coverage Policies.</p>	Preliminary

Summary of Recommendations Sent to Rep. Nosse (3 of 4)

#	Recommendation	Status
3	HERC should develop a “not medically necessary or appropriate” code groups within the HERC Clinical Coverage Policies, like the existing “unfunded region,” with key differences (e.g., different denial reasons, no comorbidity rule)	Approved
4	OHA should conduct rulemaking to define the intended hierarchy by which CCOs and FFS make coverage decisions (e.g., review HERC policy first, specific OARs second, clinical judgement/third party evidence last).	Approved
5	HERC should ensure all HERC-related outputs (including code groups, ancillary files, etc.) continue to be easily and readily accessible on the HERC website and on the same page.	Approved
6	OHA should develop communications and technical assistance materials for members, providers, and community partners to ensure streamlined transition and understanding.	Approved
7	<p>OHA shall conduct rulemaking to further define the role of HERC Clinical Coverage Policies in OAR, to ensure they:</p> <ul style="list-style-type: none"> • are relied upon in a similar fashion to how its policies are applied today (e.g., the Prioritized List) for appeals and hearings, • Allow for individual medical review <p>Prior to giving notice of intent to amend an administrative rule regarding the role of HERC Clinical Coverage Policies, OHA shall seek interested persons’ (e.g., CCOs, providers, members and member advocates) input.</p>	Approved

Summary of Recommendations Sent to Rep. Nosse (4 of 4)

#	Recommendation	Status
8	Recommend FFS processes match quality and compliance requirements of CCOs, especially around denials.	Approved
9	OHA should conduct actuarial assessments at least every 6 months for the next budget cycle to compare projected versus actual spend changes related to Prioritized List changes, and bring this analysis to appropriate groups including HERC, Medicaid Advisory Committee (MAC), Quality and Health Outcomes Committee, CCO Pharmacy Workgroup, beneficiary advisory group, and clinical leadership.	Approved