

Benefit Update Project Workgroup Recommendations

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.

[The workgroup voted to approve the preamble above (of those present: 8 voted yes – Jeanne Savage, Cat Livingston, Heather Jefferis, Mike Collins, Gary Allen, Adriane Irwin, Bridget Budbill, Mary Engrav; 2 voted no – Amy Burns, Erin Fair Taylor).]

Workgroup Membership

The following individuals serve as BUP Workgroup members:

- **Disability Rights Community:** Ben Gurewitz, Disability Rights Oregon
- **Tribal Representative:** Mike Collins, Confederated Tribes of Warm Springs
- **Dental Care Organization:** Dr. Gary Allen, Advantage Dental
- **Statewide Behavioral Health Association:** Heather Jefferis, Oregon Council for Behavioral Health
- **Community-Based Provider:** Briana Axline, Community Health Centers of Lane County
- **Health System:** Art Mathisen, Good Shepherd Health Care System
- **Legal Aid:** Bridget Budbill, Oregon Law Center

- **Health Evidence Review Commission (HERC):** Dr. Adriane Irwin
- **Coordinated Care Organizations (CCOs):**
 - Erin Fair Taylor, PacificSource Community Solutions
 - Dr. Amy Burns, AllCare
 - Dr. Cat Livingston, Health Share of Oregon
 - Dr. Jeanne Savage, Trillium Community Health Plan
 - Dr. Mary Engrav, Jackson Care Connect, Columbia Pacific CCO (CareOregon)

Recommendations

#	Recommendation	Status	Workgroup Vote
0	Recommend to continue the prioritized list in the state plan in 2027, if possible.	Approved	<ul style="list-style-type: none"> • Yes: Cat Livingston, Erin Fair Taylor, Jeanne Savage, Gary Allen, Amy Burns, Mary Engrav • No: Ben Gurewitz, Bridget Budbill • Abstain: Mike Collins, Adriane Irwin, Heather Jefferis

#	Recommendation	Status	Workgroup Vote
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	<ul style="list-style-type: none"> • Yes: Heather Jefferis, Bridget Budbill, Cat Livingston, Gary Allen, Adriane Irwin, Ben Gurewitz, Mike Collins, Jeanne Savage • No: Amy Burns • Abstain: Erin Fair Taylor
2	2a: OHA shall consult with HERC prior to making reductions in Oregon Health Plan benefits.	Approved	<ul style="list-style-type: none"> • Yes: Mike Collins, Erin Fair Taylor, Heather Jefferis, Adriane Irwin, Bridget Budbill, Gary Allen, Ben Gurewitz, Jeanne Savage, Cat Livingston • No: Amy Burns, Mary Engrav • Abstain: None

#	Recommendation	Status	Workgroup Vote
	2b: OHA shall consult with the Medicaid Advisory Committee and the Beneficiary Advisory Council prior to making reductions in Oregon Health Plan benefits.	Approved	<ul style="list-style-type: none"> • Yes: Mike Collins, Erin Fair Taylor, Heather Jefferis, Adriane Irwin, Bridget Budbill, Gary Allen, Ben Gurewitz, Jeanne Savage • No: Amy Burns, Mary Engrav • Abstain: Cat Livingston
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	<ul style="list-style-type: none"> • Yes: Adriane Irwin, Gary Allen, Cat Livingston, Jeanne Savage, Heather Jefferis, Amy Burns, Erin Fair Taylor, Briana Axline, Mike Collins • No: Bridget Budbill, Ben Gurewitz • Abstain: None
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	<ul style="list-style-type: none"> • Yes: Heather Jefferis, Bridget Budbill, Gary Allen, Adriane Irwin, Amy Burns, Cat Livingston, Mike Collins, Erin Fair Taylor, Jeanne Savage, Ben Gurewitz • No: None • Abstain: None

#	Recommendation	Status	Workgroup Vote
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	<ul style="list-style-type: none"> • Yes: Mike Collins, Erin Fair Taylor, Gary Allen, Bridget Budbill, Cat Livingston, Adriane Irwin, Amy Burns, Ben Gurewitz, Heather Jefferis • No: None • Abstain: None
6	OHA should develop communications and technical assistance materials for members, providers, and community partners to ensure streamlined transition and understanding.	Approved	<ul style="list-style-type: none"> • Yes: Erin Fair Taylor, Ben Gurewitz, Bridget Budbill, Mike Collins, Cat Livingston, Adriane Irwin, Heather Jefferis, Amy Burns, Gary Allen • No: None • Abstain: None
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	<ul style="list-style-type: none"> • Yes: Adriane Irwin, Gary Allen, Cat Livingston, Bridget Budbill, Briana Axline, Jeanne Savage, Ben Gurewitz, Mike Collins, Amy Burns, Erin Fair Taylor • No: None • Abstain: None

#	Recommendation	Status	Workgroup Vote
8	Recommend FFS processes match quality and compliance requirements of CCOs, especially around denials.	Approved	<ul style="list-style-type: none"> • Yes: Heather Jefferis, Cat Livingston, Mike Collins, Gary Allen, Erin Fair Taylor, Adriane Irwin, Amy Burns, Jeanne Savage, Bridget Budbill • No: None • Abstain: None
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	<ul style="list-style-type: none"> • Yes: Jeanne Savage, Heather Jefferis, Cat Livingston, Gary Allen, Mike Collins, Adriane Irwin, Erin Fair Taylor, Bridget Budbill, Mary Engrav • No: None • Abstain: None
10	OHA shall leverage existing utilization data for analysis to inform modification of HERC Clinical Coverage Policies.	Approved	<ul style="list-style-type: none"> • Yes: Amy Burns, Mike Collins, Erin Fair Taylor, Bridget Budbill, Cat Livingston, Ben Gurewitz, Gary Allen, Heather Jefferis, Adriane Irwin, Jeanne Savage • No: None • Abstain: None

#	Recommendation	Status	Workgroup Vote
11	Given the negative impact on members, recommend OHA to revisit alignment and intent around CMS guidance related to provider reconsideration and consider rulemaking that allows CCOs/FFS to use newly received provider documentation to reconsider a denied PA request. Any reconsideration process must allow concurrent member appeal.	Approved	<ul style="list-style-type: none"> • Yes: Mike Collins, Jeanne Savage, Cat Livingston, Gary Allen, Adriane Irwin, Ben Gurewitz, Heather Jefferis, Mary Engrav, Amy Burns, Erin Fair Taylor, Bridget Budbill • No: None • Abstain: None

*Indicates recommendation from workgroup only if the Prioritized List is phased out.

**Indicates recommendation from most workgroup members only if the Prioritized List is phased out; Oregon Law Center indicated rulemaking about individual medical review needed as a present system improvement and also necessary if the Prioritized List is phased out.

Appendix: Workgroup Charter



OHA Benefit Update Project Workgroup

Oregon Health Authority

OHA Benefit Update Project (BUP) Workgroup

Workgroup Charter – Approved September 2, 2025

Overview

Objective:

The Oregon Health Authority (OHA) Benefit Update Project (BUP) Workgroup is chartered to provide recommendations on the phase-out of the Oregon Health Plan's (OHP's) Prioritized List of Health Services, which is currently authorized through the State's 1115 Medicaid waiver. The BUP Workgroup will develop recommendations that consider policy, operational and clinical impacts to help ensure a successful transition for members, Coordinated Care Organizations (CCOs), health care providers and other partners. The recommendations will be shared with implementation partners (e.g., OHA, CCOs, provider) and other key entities including the Governor's Office and Legislature (if needed, for relevant statutory changes). This charter defines the objectives, responsibilities and scope of activities of the BUP Workgroup.

Problem statement:

The State's authority to deny coverage of services based solely on the "funding line" has existed in the state's 1115 Medicaid Demonstration Waivers since 1994 as the Prioritized List of Health Services (PL); however, Oregon's waiver that allows for the current structure of the PL will expire at the end of 2026. By January 1, 2027, Oregon will be required to cover a mandatory set of medically necessary services in the Medicaid State Plan, as defined by federal law.

Purpose:

The OHA BUP Workgroup will consider the potential implications of and ways to streamline the transition away from the PL with the goal of minimizing disruption to care, advancing health equity, and supporting the delivery of appropriate, high-value health services under OHP.

Authority:

The OHA BUP Workgroup is established by OHA in collaboration with the Governor's Office and the State Legislature. The BUP Workgroup will be staffed and supported by OHA and contracted vendors. The workgroup is advisory in nature, serving to discuss, evaluate and propose solutions to identified issues related to the transition of the PL. The workgroup does not have decision-making authority. This workgroup is not tasked with implementation, creating technical solutions or identifying funding streams.

Final recommendations from the workgroup will be presented at the final meeting of the workgroup prior to the end of 2025, be made publicly available, and inform OHA's workplan toward the January 1, 2027, deadline. Due to the short timeline, OHA will draft preliminary recommendations based on the BUP Workgroup's questions, discussion and input throughout the meetings. The BUP Workgroup will discuss and iterate on those preliminary recommendations before finalizing them through a decision-making process (described more below) and will capture minority voices to inform this work.

Additional partner engagement:

OHA recognizes and values the extensive input that partners have already shared through various forums on the BUP including: CCO operational workgroups, OHA- and HERC-led office hours, waiver webinars and other forums. OHA will incorporate previous input into this process to inform OHA's preliminary recommendations for the Workgroup to iterate, modify, and finalize.

Panel

Executive Sponsor:

- David Baden, Deputy Director for Policy and Programs, OHA

Key Staff:

- Steph Jarem, Director of Health Policy, OHA
- Allyson Boney-Evans, Medicaid Senior Policy Analyst, BUP Project Lead

Vendors:

- Manatt Health (develop materials and facilitate select workgroup meetings)
- Deloitte (project management and support)

Other Advisory Staff:

- Dawn Mautner, Medicaid Medical Director, BUP Project Co-Sponsor
- Lisa Bui, Quality Improvement Director, BUP Project Co-Sponsor
- Ahmed Farag, Dental Director, BUP Project Co-Sponsor
- Jason Gingerich, Director, Health Evidence Review Commission (HERC)
- Other subject matter experts, as needed.

Membership: The BUP Workgroup will be a 13-member workgroup with representation from the following sectors:

- **Disability rights** community
- **Dental care** organization
- Statewide **behavioral health** association
- **Federally Qualified Health Center (FQHC)** or other community-based clinical provider
- **Hospital or health system**
- **Legal aid organization**
- **Health Evidence Review Commission (HERC)**
- **Coordinated Care Organizations (CCOs)**

Members were selected through a nominations process that asks potential nominees to identify their subject matter expertise. The Workgroup members were selected in a manner to ensure diversity of perspective and representation of the state. Members representing intersecting identities and Oregon's priority populations were given a preference.

Language access and accessibility is a priority for the state and, as such, interpretation and access to materials in plain language and alternative formats will be provided as needed. Eligible individuals will be offered compensation for their time.

Scope

The OHA BUP Workgroup is charted to provide recommendations to OHA on the federally required phase out of OHP's Prioritized List of Health Services currently authorized through the State's 1115 Medicaid Waiver.

The proposed topics in the scope of this workgroup's discussions include:

- Processes that determine the State's benefit package, including medical necessity policy and clinical practice guidelines.
- Claims adjudication and provider processes, including denial reasons.
- Opportunities to promote the sustainability of the CCO model in alignment with BUP.
- Appeals and grievances processes.
- Other operational considerations identified by the workgroup that require further exploration to inform final recommendations.

Workgroup members will discuss and align on the scope at the first meeting.

Meetings

The OHA BUP Workgroup will launch in August 2025 and continue through December 2025. The BUP Workgroup will meet for 2 hours once or twice a month.

- **Meeting 1** – Week of August 11
 - **Workgroup Kickoff & BUP 101 – Introduction to Benefits Update Project:** OHA and the workgroup will align on the purpose and goals of the workgroup as well as the basic parameters of the BUP.
- **Meeting 2** – Week of September 1
 - **BUP 102 – Deeper Dive into HERC Roles and Responsibilities:** The workgroup will dive deeper into the past, present, and future role of HERC.

- **Meeting 3-7** – Starting Week of September 22

- **Specific topics may depend on Workgroup feedback.** The goal of these meetings may be to address – at minimum – considerations for members, providers, and CCOs and how to streamline the transition for these key partners.

- **Meeting 8** – Week of December 15

The workgroup meets to finalize recommendations, as needed.

If a member cannot make a meeting, they can provide input via email or by talking with a staff person. Members can send proxies to participate in meetings on their behalf, and will participate in the consensus-building process on their behalf as outlined below, but members are asked to commit to at least six of eight meetings.

Consensus-Building Process

The OHA BUP Workgroup is advisory in nature.

- OHA will use “Zero to Five” polling throughout workgroup meetings to gauge consensus and understanding (see graphic below). More nuanced or complex decisions will use an open discussion format.



No way.

Not a good idea.

I have reservations.

I'm ok, but not completely comfortable.

I understand, and this sounds good.

- The workgroup will use a different system to finalize recommendations. The workgroup members will be asked to **vote “yes”, “no” or “I’d like more discussion”** during the iteration process. Recommendations will only move forward if a majority of votes are yes.

Members

The following individuals will serve as BUP Workgroup members:

- **Disability Rights Community:** Ben Gurewitz, Disability Rights Oregon
- **Tribal Representative:** TBD
- **Dental Care Organization:** Dr. Gary Allen, Advantage Dental
- **Statewide Behavioral Health Association:** Heather Jefferis, Oregon Council for Behavioral Health
- **Community-Based Provider:** Briana Axline, Community Health Centers of Lane County
- **Health System:** Art Mathisen, Good Shepherd Health Care System
- **Legal Aid:** Bridget Budbill, Oregon Law Center
- **Health Evidence Review Commission (HERC):** Dr. Adriane Irwin
- **Coordinated Care Organizations:**
 - Erin Fair Taylor, PacificSource Community Solutions
 - Dr. Amy Burns, AllCare
 - Dr. Cat Livingston, Health Share of Oregon
 - Dr. Jeanne Savage, Trillium Community Health Plan
 - Dr. Mary Engrav, Jackson Care Connect, Columbia Pacific CCO (CareOregon)

Guiding Principles

The following principles and definitions will guide the work of the BUP Workgroup:

- Oregon's strategic goal to end health inequities by 2030
 - Oregon's health equity definition: Oregon will have established a health system that creates health equity when all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, age, gender, gender identity, sexual orientation, social class, intersections

among these communities or identities, or other socially determined circumstances. Achieving health equity requires the ongoing collaboration of all regions and sectors of the state, including tribal governments to address: the equitable distribution or redistribution of resources and power; and recognizing, reconciling, and rectifying historical and contemporary injustices

- Using evidence-based medical necessity policy
- Using existing partners' (e.g., community partners, CCOs, providers) input as a starting point – partners have already told us much and we should use that information
- Centering those most impacted – seeing lived experience and community wisdom as valid and valued sources of data

Working Agreements

The following agreements will guide how the BUP Workgroup members will work together.

We will:

- Show up with good intentions and be accountable for what we say and do
- Focus on equity
- Listen respectfully to each other
- Make sure everyone's voice is heard/share the microphone
- Be respectful to each other
- Commit to being uncomfortable
- Commit to addressing and repairing any harm we cause to one another
- Know that we are greater together
- Avoid using acronyms or explain them when we do

Group Commitments

Each member of the BUP Workgroup agrees to the following commitments:

- To prioritize attending BUP Workgroup meetings
- To review meeting materials ahead of time and come prepared to participate
- To stay present and engaged in meetings to the best of my ability
- To be respectful to other BUP Workgroup members and their ideas and viewpoints
- To take the time we need to make sure everyone understands the material and they have the information they need to participate

Workgroup Closeout

Upon completion of the defined objectives (i.e., final recommendations), this workgroup will be formally closed. All workgroup members will be notified of the closeout, and a final meeting will be held to review the workgroup's recommendations and accomplishments. All documentation, including meeting notes and materials, reports, and recommendations, will be finalized and archived for future reference. Final recommendations will be made publicly available on the BUP Website. OHA will follow up with the Workgroup after the closeout to identify which recommendations OHA will or will not act on, and why.

Background

For more information on the work of this workgroup, please visit the BUP website here:
<https://www.oregon.gov/oha/hsd/medicaid-policy/pages/benefit-update.aspx>