Medicaid Division

Director's Office

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Memorandum

To: Coordinated care organizations (CCOs)

From: Vivian Levy, Deputy Medicaid director

Date: Nov. 24, 2026

Subject: ORS 414 provisions relating to primary care spending

On Oct. 13, 2026, Governor Kotek issued Executive Order No. 26-27 ("October EO") titled "Protecting Access to Health Care." Section 2 of the October EO refers to Enrolled Oregon Senate Bill 934 (2017) related to primary care spending. The primary care spending provisions in this legislation apply to CCOs as well as commercial insurance plans.

For CCOs, SB 934 was enacted in 2017 and amended Oregon Revised Statutes Chapter 414 as follows:

- Requires, by Jan. 1, 2023, at least 12% of a CCO's total spending for physical health and mental health combined to be for primary care. (ORS 414.572 (1)(c))
- Requires a CCO that doesn't meet the 12% primary care spending target to submit a plan to Oregon Health Authority (OHA) for how they will increase primary care spending by at least 1% per year. (ORS 414.593, added as a note under Or Laws, 2017, ch. 489, §3)

OHA will release its primary care spending report for calendar year 2024 next week. Before release, OHA wanted to preview its findings. This report shows that average CCO spending on primary care was 14.5%. Nine of the 15 CCOs currently contracted by OHA met the 12% primary care spending target. Six CCOs did **not** meet the target.

OHA will use the findings from the 2024 primary care spending report to align with the requirements of statute. OHA will communicate directly with each of the six CCOs that did not meet the 12% spending target about:

- The requirements in ORS 414 and
- Due date for their plan to increase primary care spending by at least 1% in 2027.

Why is this happening?

The October EO requires OHA to prioritize primary care spending provisions in ORS Chapter 414. OHA is reminding CCOs of the action required under this law and providing further guidance regarding enforcement.

What should you do?

If your CCO met the 12% primary care spending target for calendar year 2024, then no action is needed as a result of the 2024 primary care spending report.

If your CCO did **not** meet the spending target, then you should be prepared to respond to OHA's forthcoming request for your statutorily required plan to increase primary care spending by at least 1% in 2027. OHA anticipates issuing this request and associated guidance in the coming weeks.

All CCOs should continue to prioritize compliance with the primary care spending provisions in ORS Chapter 414.

Questions?

If you have general questions about this memo, please contact Stephen White, CCO Services manager, at stephen.c.white@oha.oregon.gov.

If you have questions about the primary care spending report or the spending target, please contact Piper Block, Research and Data Manager (within the Office of Health Analytics, Health Policy and Analytics Division), at piper.block@oha.oregon.gov.

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.