

ANALYSIS

Item 14: Oregon Health Authority Postpartum and Citizenship Waived Medical Services

Analyst: Tom MacDonald

Request: Appropriate \$9 million General Fund and increase Federal Funds expenditure limitation by \$17.1 million to expand Medicaid services for postpartum women and individuals eligible for limited emergency medical services.

Analysis: The Oregon Health Authority (OHA) requests a combined \$9 million General Fund and \$17.1 million in Federal Funds expenditure limitation for two distinct proposals that expand Medicaid services. The largest of is an expansion of services under the Citizenship Waived Medical (CWM) program, which provides limited coverage for non-citizens who need emergent care. The second proposal is to expand the duration of postpartum Medicaid coverage from two months to 12 months. OHA submitted these requests with the goal of reducing health inequities. The table below summarizes the estimated 2021-23 and 2023-25 General Fund costs for each proposal.

OHA Request	2021-23		2023-25	
	General Fund	Federal Funds	General Fund	Federal Funds
Citizenship Waived Medical*	6,610,298	10,677,897	5,248,814	7,553,754
Postpartum Coverage	2,400,476	6,390,858	4,787,903	12,520,404
Cost Estimate	9,010,774	17,068,755	10,036,717	20,074,158

**OHA recently submitted revised 2021-23 cost estimates for the CWM proposal, which shows higher costs of \$8.2 million General Fund and \$13.2 million Federal Funds.*

Citizenship Waived Medical

The Citizenship Waived Medical (CWM) program, previously called Citizen Alien Waived Medical, provides limited emergency medical coverage for adults who do not qualify for full Medicaid benefits due to their immigration status. This benefit covers a person's immediate medical treatment resulting from the sudden onset of a condition which, if left untreated, places the person's health in serious jeopardy or could cause serious bodily impairment or organ dysfunction. CWM members use a high level of emergency department services compared to other Medicaid caseloads because this benefit is typically the only form of health care coverage available to this population.

Federal regulations allow states to define what qualifies as a medical emergency, which in Oregon is based on the final diagnosis resulting from an emergency department visit. If the final diagnosis does not justify the reason for the visit, CWM does not cover the individual's costs even if the individual had symptoms suggestive of a more serious health issue. A common example given is an individual who seeks emergency services out of fear of having a heart attack but is ultimately diagnosed with something much less severe. OHA plans to redefine the final diagnosis requirement by basing covered services on the presenting symptoms that a "prudent layperson" would consider an emergency. The agency can

make this policy change without submitting a Medicaid state plan amendment or waiver request for federal approval.

A key objective of this request is to alleviate the potential financial burden on CWM members when seeking treatment in good faith and to increase services provided for this caseload. When a CWM claim is rejected for Medicaid reimbursement, hospitals might seek payment from the patient (or conceivably provide the services as charity care). OHA has no way of knowing the extent to which hospitals seek payment or what the financial impact to clients might be. However, claims data shows that a high number of claims are rejected relative to the CWM caseload of approximately 44,000 individuals. Between July 1, 2019 and June 30, 2021, 18,915 emergency department visits were denied CWM reimbursement.

In addition to reducing the financial risk to clients, changing what qualifies as an emergency would impact the level of services utilized, at least in the near term. While emergency department utilization with the CWM caseload is relatively high, some members might forgo seeking treatment out of fear of not having services covered. The definition change is expected to change this behavior, as well as increase utilization in general. OHA has identified two key areas where more emergency services will experience increased claims for reimbursement: cancer treatment and behavioral health crisis services.

This proposal is also impacted by, and has implications for, the new Cover All People (CAP) program, which provides comprehensive Oregon Health Plan coverage and care coordination to individuals who meet the same eligibility criteria as CWM. Because CWM members will become eligible for the CAP benefit upon its July 1, 2022 effective date, their utilization of emergency services is expected to decline after several months. Additionally, the CWM change would affect the cost structure of CAP, which is funded entirely with General Fund. Since CWM leverages federal match, OHA will not include the expanded emergency benefits in CAP and instead have CWM emergency services wrap around the CAP benefit. The additional federal match leveraged by CWM means less General Fund spent in CAP, which OHA estimates to be \$4 million in 2021-23. OHA's proposal does not include a budget reduction to capture this savings and instead intends for it to be retained in CAP to maximize the number of enrollees given the program's fixed \$100 million budget in 2021-23 (under currently law, CAP enrollment cannot be restricted in 2023-25).

OHA's request letter identifies estimated costs of \$6.6 million General Fund (\$17.3 million total funds) in 2021-23 for the CWM policy change assuming a January 1, 2022 effective date. The cost is driven by increased emergency department visits and utilization of cancer treatment and behavioral health crisis services. OHA recently indicated the 2021-23 cost estimated needs to be revised to \$8.2 million General Fund (\$21.4 million total funds) with the same effective date. The 2023-25 cost estimate is \$5.2 million General Fund (\$12.8 million total funds), which is lower due to the eventual decrease in emergency department utilization anticipated after CWM members become eligible for coverage under CAP.

The Legislative Fiscal Office recommends deferring action on this request to the February 2022 legislative session for several reasons. The revised 2021-23 cost calculation, the operational aspects related to the "prudent layperson" test, and impact on cancer treatment and behavioral health crisis services are not sufficiently understood at this time and merit further review. Also, January 1, 2022 is not a realistic implementation date given the timing of the February 2022 legislative session. If the legislature approves the request, a more reasonable date would be April 1, 2022, or potentially July 1, 2022 to coincide with the effective date of CAP coverage. Extending the effective date would change the 2021-23 cost estimate in proportion to the number of months.

Medicaid Postpartum Coverage

OHA also requests funding to expand the duration of Medicaid coverage for postpartum services. Until recently, federal law required states to provide pregnancy-related Medicaid coverage through 60 days postpartum. After the 60-day limit, many women remain eligible for Medicaid through different eligibility pathways, such as the Affordable Care Act (ACA) expansion group. Other women, however, lose Medicaid coverage because the income threshold for pregnant women to qualify for Medicaid is often higher than other caseloads. In Oregon, pregnant women with incomes up to 190% of the federal poverty level qualify for Medicaid whereas ACA income eligibility, for instance, is 138%.

The American Rescue Plan Act of 2021 gives states a new option to extend Medicaid postpartum coverage to 12 months. This new option takes effect April 1, 2022 and is available to participating states for five years. As of December 16, 2021, 26 states have already received CMS approval or taken action to extend their postpartum coverage.¹ This optional extension is part of the U.S. Department of Health and Human Services' plan to improve maternal health, particularly in light of higher rates of maternal mortality and morbidity experienced by Black and American Indian/Alaska Native women. Extending postpartum benefits to 12 months will prolong the time women, who would otherwise lose Medicaid coverage after 60-days postpartum, receive services for childbirth complications, postpartum depression, and family planning, among others.

If implemented in Oregon on April 1st, OHA estimates the average monthly Oregon Health Plan caseload for pregnant women will increase by 3,874 in the 2021-23 biennium, which represents a 40% increase over the current forecasted caseload of about 9,600. However, only 25% of the increase represents women who would become ineligible for Medicaid if not for this extension, with the remainder representing women who would continue qualifying for coverage through a different eligibility group (e.g. 41% would have moved to the ACA group under OHA's modeling of this request). Because some women currently remain eligible for Medicaid after 60 days postpartum through different eligibility pathways, this proposal includes necessary cost shifting between eligibility groups with different Medicaid match rates.

The Legislative Fiscal Office recommends approval of OHA's proposal to expand the duration of Medicaid postpartum coverage to 12 months effective April 1, 2022. If the legislature approves the agency's request, OHA will still need CMS approval for this policy change to take effect.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means defer action on the request to fund the expansion of Citizenship Waived Medical benefits to the 2022 legislative session. The Legislative Fiscal Office also recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$2,400,746 General Fund and an increase of \$6,390,858 in the Federal Funds expenditure limitation for the Oregon Health Authority in a budget reconciliation bill during the 2022 legislative session to expand the duration of Medicaid postpartum coverage to 12 months.

¹ Kaiser Family Foundation. (2021, December 16). *Medicaid Postpartum Coverage Extension Tracker*.
<https://www.kff.org/medicaid/issue-brief/medicaid-postpartum-coverage-extension-tracker/>

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Oregon Health Authority
Heath

Request: Appropriate \$9,010,774 General Fund and increase Federal Funds expenditure limitation by \$17,068,755 to enhance services for those eligible for the Oregon Health Plan (OHP) under the Citizenship Waived Medical program and to extend OHP coverage for postpartum women to 12 months after giving birth.

Recommendation: Consider the request during the February 2022 Legislative Session.

Discussion: The Oregon Health Authority (OHA) is seeking to enhance the services provided to Oregonians eligible for OHP in two ways: first, it proposes to expand the services covered under the Citizenship Waived Medical program, and second, it proposes to extend OHP postpartum coverage to 12 months following pregnancy as allowed by recent federal legislation.

The Citizenship Waived Medical (CWM) program pays for emergency department services for Oregonians who are ineligible for full Medicaid benefits due to their federal immigration status. As of Fall 2021, there were an estimated average of 42,246 Oregonians who are covered by this part of OHP during the 2021-23 biennium; members are part of the fee for service program rather than a Coordinated Care Organization. OHA has identified an issue for CWM beneficiaries who have sought treatment only to have their OHP claim denied because the issue they were diagnosed was determined not to warrant the use of an emergency department. According to OHA, 18,915 emergency department visits were denied payment in 2019-21 due to this issue. OHA proposes to address this situation by having the CWM benefit be based on the symptoms at admission, meaning members who sought treatment for a potentially serious condition would not later end up with an unexpected financial burden as a result of that decision. OHA estimates this change will cost \$6.6 million General Fund and \$10.7 million Federal Funds this biennium, with costs increasing to \$7.3 million General Fund and \$10.9 million Federal Funds in 2023-25.

It's worth noting, OHA's estimates do not directly estimate the cost of the enhanced benefit to CWM members, instead estimating the cost of the enhanced benefit per member to be the same as the per member emergency department use for the OHP caseload as a whole. This is unlikely to accurately reflect the cost of providing this benefit, as CWM members currently use the emergency department more than OHP members as a whole (\$91 per member per month compared to approximately \$40 per member per month for the caseload as a whole) and it is unclear how much more they would use the emergency department as a result of this change. Furthermore, many CWM members will be eligible to receive medical services outside of the emergency department if they become covered by Cover All People, which is expected to start enrolling members in July 2022. Other issues with the estimate for this proposal include that it relies on an old caseload forecast from before the public health emergency added significantly to OHA's caseload, it does not use the correct federal match percentage for one of the associated caseloads, and it appears to double count the enhanced federal match percentage OHA receives as a result of the COVID public health emergency.

If this proposal is funded, OHA estimates it would derive a savings of \$4.4 million General Fund in 2021-23. The savings arise because OHA has structured the Cover All People (CAP) program, established by House Bill 3352 (2021), to wrap around the benefit provided to CWM members

of OHP to achieve the same level of benefits OHP members receive. Everything else being equal, when the CWM benefit increases, the amount paid out of CAP to provide the same level of benefits goes down. OHA proposes to use the savings to cover additional members in the CAP. OHA is still in the process of developing estimates of per member per month costs for the CAP population so it is not clear how many additional people could be added to the program with the savings.

Secondly, OHA is requesting \$2.4 million General Fund and a \$6.4 million increase in Federal Funds expenditure limitation to extend Medicaid coverage for postpartum women up to 12 months after giving birth, up from the current standard of two months. This policy change is made possible by the American Rescue Plan Act of 2021, which gives states the option to extend coverage up to 12 months so long as the state provides full benefits throughout the pregnancy and postpartum period. This option is available to states from April 1, 2022 through March 30, 2027. The population served will slowly ramp up between April 2022 and the end of the 2021-23 biennium and will reach approximately 5,300 individuals. OHA estimates this cost will roll up to \$4.8 million General Fund and \$12.5 million Federal Funds in the 2023-25 biennium. The pricing assumes approximately 73% of members affected will come from a different OHA caseload, so the pricing only requests funding for the 27% of the members who would have exited OHP. At the time of this analysis, the details of the exact caseloads affected by the request remained to be worked out, which could affect the final pricing of the request.



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December 6, 2021

Senator Elizabeth Steiner Hayward, Co-Chair
Representative Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairpersons:

Nature of the Request

The Oregon Health Authority (OHA) requests \$6,610,298 General Fund and \$10,677,897 Federal Funds limitation for the Health Systems Division to expand services covered by the Citizenship Waived Medical (CWM) program.

OHA also requests \$2,400,476 General Fund and \$6,390,858 Federal Funds limitation for the Health Systems Division to extend Medicaid postpartum coverage to 12 months following the end of the pregnancy.

Agency Action

The Citizenship Waived Medical (CWM) program, formerly known as Citizen-Alien Waived Emergent Medical (CAWEM), covers emergent medical care for adults who would qualify for Medicaid if they met the U.S. citizenship or residency requirements. Starting January 1, 2018, Cover All Kids provides full Oregon Health Plan benefits to children under the age of 19 who do not meet the Medicaid citizenship requirements. For pregnant people, CWM covers pre-natal medical services and up to 2 months of postpartum medical coverage.

Currently, CWM emergency coverage is based on the final diagnosis resulting from an emergency room visit. This policy results in considerable and unavoidable expense for individuals who go to an emergency room in good faith, but CWM does not cover the visit because the discharge diagnosis does not justify the reason that initiated the visit. To address this situation, OHA proposes expanding the CWM benefit by basing coverage on the presenting symptoms at admission to the emergency room. With this change, CWM would cover situations where someone is seen in the emergency room for presenting symptoms a prudent layperson would

consider an emergency, (e.g., chest pain) that, upon final diagnosis, turns out to be not serious.

It is within federal guidelines for Oregon to determine what constitutes an emergency and receive federal matching funds; however, to implement this change OHA will need additional state funds. OHA estimates expanded coverage, starting on January 1, 2022, will cost approximately \$17.3 million Total Funds (\$6.6 million General Fund) for the 2021-23 biennium.

This policy change to the CWM program will also impact the Cover All People (CAP) program established by House Bill 3352 (2021 Regular Session) by allowing OHA to claim additional federal matching funds for CWM-covered services in the CAP program. OHA estimates the additional Federal Funds will offset \$4.4 million General Fund in the 2021-23 biennium, increasing the General Fund available to provide OHP coverage to more individuals.

OHA is also requesting budget to extend Medicaid postpartum coverage to 12 months following the end of the pregnancy.

Currently in Oregon, individuals who are eligible for and receiving Medicaid for any portion of their pregnancy remain eligible through the two calendar months following the month in which the pregnancy ends, as per 42 CFR §435.170. Section 9812 of the American Rescue Plan of 2021 provides a new state option to allow for the extension of full medical coverage and pregnancy related services to individuals eligible for and receiving medical assistance during their pregnancy for 12 months following the last day of the pregnancy. Assuring continued postpartum coverage for a full year is one way to allow individuals improved access to health care during what can be a particularly vulnerable time.

There has been increased attention given to maternal mortality and morbidity in the United States and particularly to the racial disparities in maternal mortality with studies showing American Indian/Alaska Native and Black women at a significantly higher risk of dying from a pregnancy related cause. In Oregon, the subject of maternal mortality and morbidity is studied by the Maternal Mortality and Morbidity Review Committee (MMRC), which reviews cases of maternal mortality and severe maternal morbidity and seeks to provide information and recommendations to healthcare agencies. In their recent report, looking at one year of cases in 2018, their findings included “inadequate access and missed opportunities to health care and medical services” and “inadequate access to wrap-

Senator Elizabeth Steiner Hayward, Co-Chair

Representative Dan Rayfield, Co-Chair

December 6, 2021

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around services” as one of several contributing factors. By providing the additional months of postpartum health care to Oregonians, OHA can remove a potential barrier in accessing postpartum health care. This ensures the potentially complex health needs following pregnancy can be attended to, resulting in improved health outcomes for all Oregonians.

OHA estimates extended coverage, starting on April 1, 2022, will cost \$8.8 million Total Funds (\$2.4 million General Fund) for the 2021-23 biennium.

Action Requested

Acknowledge receipt of the report.

Legislation Affected

Oregon Laws 2021, Chapter 668 1(1), increase General Fund \$9,010,774

Oregon Laws 2021, Chapter 668 5(1), increase Federal Funds \$17,068,755

Sincerely,



Patrick M. Allen

Director

EC: Patrick Health, Department of Administrative Services
George Naughton, Department of Administrative Services
Tom McDonald, Legislative Fiscal Office
Laurie Byerly, Legislative Fiscal Office