Joint Task Force on the Bridge Health Care Program: Potential Federal Pathways to Meet Oregon's Goals May 6, 2022

1115 Option– Expand Medicaid to cover people up to 200% FPL by CCOs	**1331 Option** – Enroll people 138-200% FPL in a Basic Health Program offered by CCOs	**1332 Option** – Allow people 138-200% FPL to choose between a Bridge Program offered by CCOs and getting tax credits towards Marketplace coverage
State-specific changes to Medicaid are accomplished through an 1115 Medicaid Demonstration Waiver. **Pros**: • **Timeline**: Can implement in the near term (2023). **Cons**: • **Financing**: Expanding Medicaid requires the state to contribute 40% which would be unsustainable long term. • **Optionality**: Would not allow people 138-200% FPL to choose between Medicaid and getting tax credits to enroll in the Marketplace. • **Marketplace implications**: Actuarial analysis is underway to assess the impact on the Marketplace. • **Moves the cliff:** Creates a new churn point at 200% FPL, but there may be operational solutions that mitigate this. • **Timeline:** Waivers must be renewed every 3 to 5 years; CMS could deny future renewals.	There is a clear pathway to offer Medicaid-like coverage to people with income from 138-200% FPL using Section 1331 of the ACA. This is called a Basic Health Program and has been implemented in two states (MN &NY). **Pros**: • **Timeline**: Can implement in the near term (2023). • **Financing**: Per-capita funding formula maximizes federal contribution and does not put the state at financial risk for increased enrollment. • **Permanent**: Once approved, BHP authority remains in place unless withdrawn by the state. **Cons**: • **Optionality**: Does not allow people 138-200% FPL to choose between a Basic Health Program offered by CCOs and getting tax credits toward Marketplace coverage. • **Marketplace implications:** Actuarial analysis is underway to assess the impact on the Marketplace. • **Financing**: Federal funds cannot be used for program administration costs. • **Moves the cliff:** Creates a new churn point at 200% FPL, but there may be operational solutions that mitigate this.	The ACA does not have a clear pathway to allow people with income from 138-200% FPL to choose between a Basic Health Program and getting tax credits towards Marketplace coverage. Oregon may be able to achieve this by requesting waivers of certain ACA requirements. The vehicle for doing this is called a 1332 State Innovation Waiver, but there is no precedent for this type of 1332 waiver. **Pros**: • **Optionality**: Could allow people 138-200% FPL to choose between a Bridge Program offered by CCOs and getting tax credits towards Marketplace coverage. • **Marketplace implications**: May offer additional options to mitigate potential disruption to the Marketplace. • **Mitigates the cliff:** Greater potential to mitigate the impact of the churn point (optionality). **Cons**: • **Operative**: Achieving "optionality" without state-based marketplace (SBM) carries challenges to ensure people are aware of their coverage options; an SBM is not feasible before 2025. • **Timeline/Financing**: 1332 waiver process is time consuming, likely requiring longer use of more costly 1115 waiver prior to full implementation. • **Financing**: Aggregate (not per-capita) spending cap creates financial risks to state. • **Legal**: Legal issues may preclude Oregon from limiting this program to people 138-200% FPL. • **Timeline:** Waivers must be renewed every 3 to 5 years; CMS could deny future renewals.