
Basic Health Program Update

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September 29, 2023

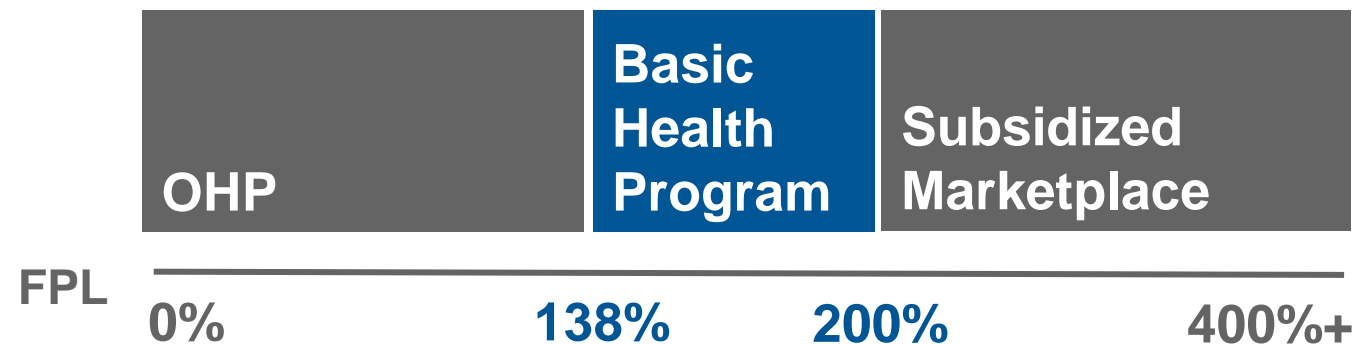


Value of Oregon's Basic Health Program

What is a Basic Health Program?

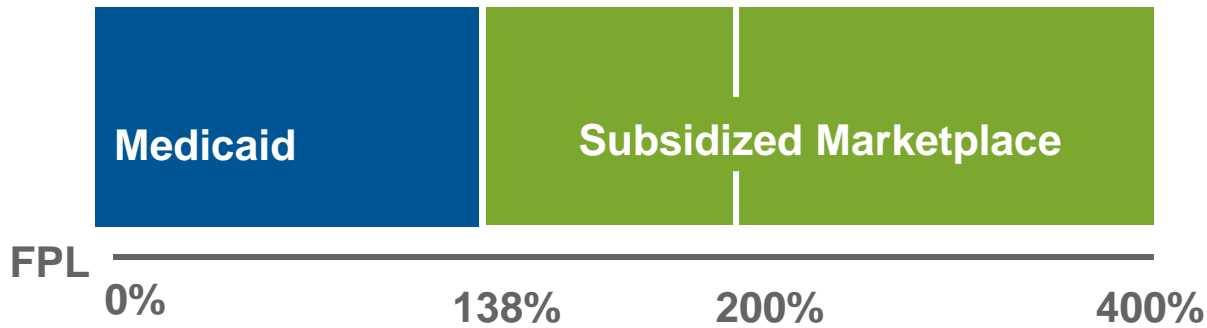
- A **Basic Health Program (BHP)** covers individuals up to 200% FPL who would otherwise be eligible for Marketplace coverage.
- BHPs are authorized under Section 1331 of the Affordable Care Act.
- To establish a BHP, states must apply by submitting a **BHP Blueprint** to Centers for Medicare and Medicaid (CMS).
- To implement a BHP, states receive **federal funding** to cover BHP-eligible enrollees.

Income and Coverage Type

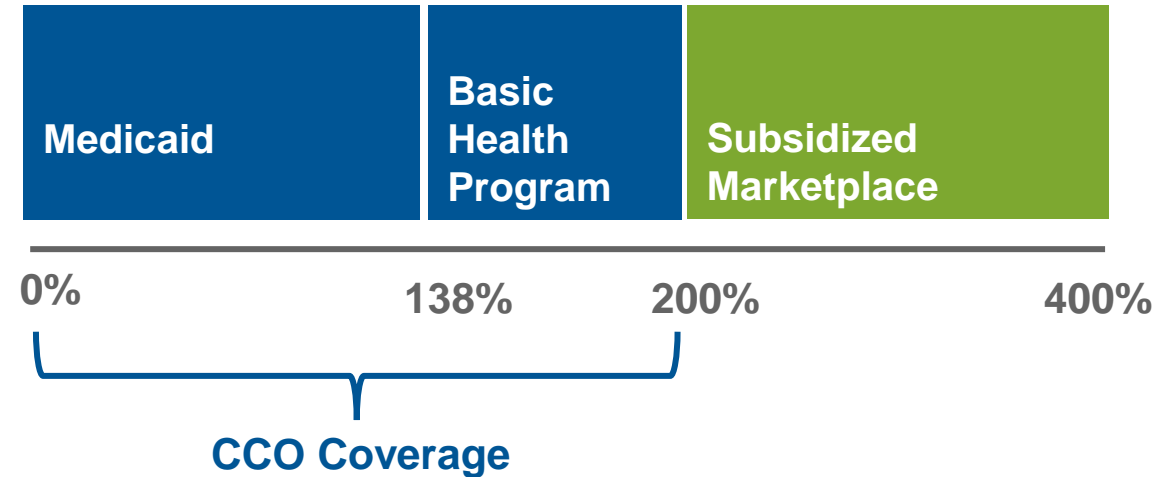


The BHP is designed to help this population stay covered.



Without BHP

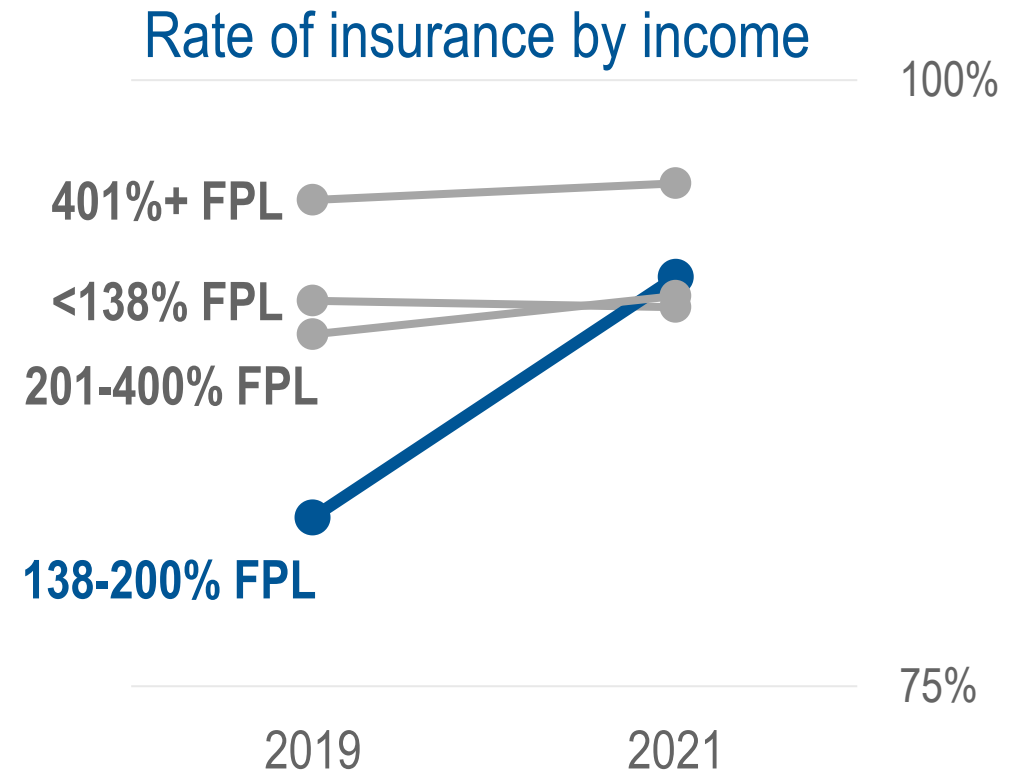


With BHP



Continued access to no cost coverage (Medicaid) improved insurance rates for the 138-200% group.

<u>Family Size</u>	<u>Annual Income</u>
	\$20 - \$29K
	\$41 - \$60K



The BHP is designed to help this population stay covered.



HB 4035

...to provide affordable health care coverage, improve the **continuity of coverage and care**...and **reduce health inequities** for individuals who regularly enroll and disenroll in the medical assistance program due to **fluctuations in their incomes**...

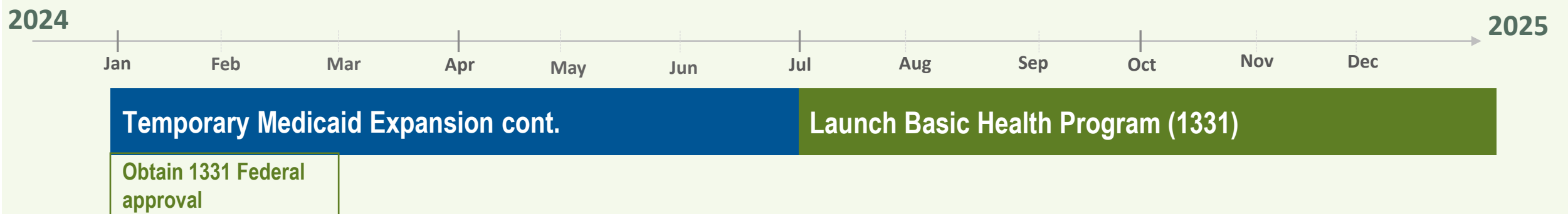
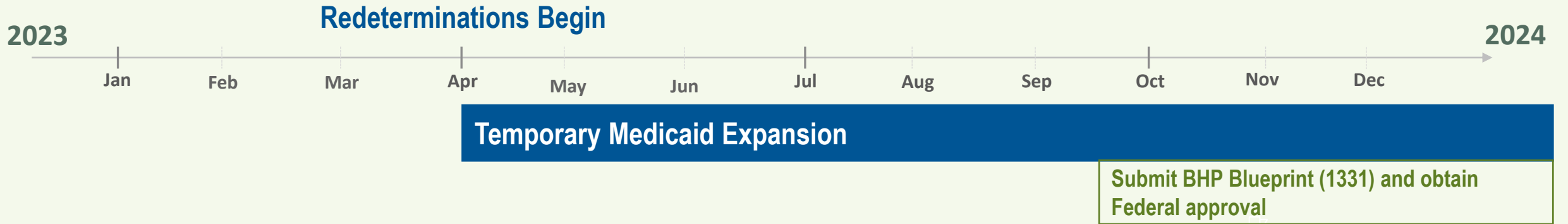
How will this benefit people?

- The BHP will help **prevent people from cycling on and off CCO coverage** due to short-term fluctuations in income.
- In September 2019, 34% of people enrolling in OHP were returning after less than a year; 25% within 6 months.
- In 2019, “Lost OHP coverage” was the most common reported reason for being uninsured.*
- Cycling on and off coverage – **“churn”** – results in disruptions to care, worse health outcomes, and higher administrative costs.



*Oregon Health Insurance Survey (2019)

Temporary Medicaid Expansion and Basic Health Program



Who will enroll in the BHP over the next few years?

People Moving From Uninsured

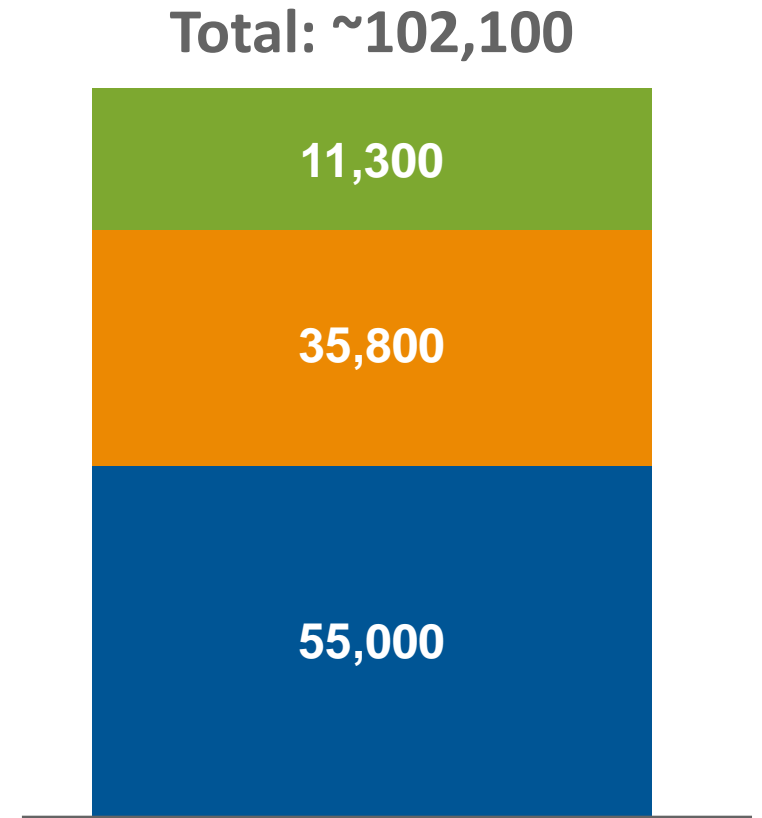
Based on the uninsured population in 2021, actuaries estimated BHP enrollment among the uninsured using microsimulation modeling, projected for 2025.

People Moving From ACA Individual Market

Includes people currently covered in the Marketplace with income between 138-200% FPL in 2021, projected to 2025. This population will move to the BHP gradually over the course of 3 years.

People Moving From Medicaid

Includes the 138-200% FPL population that will transition to the Temporary Medicaid Expansion category following the end of the PHE, who would otherwise be eligible for the Marketplace.



There is nothing basic about Oregon's BHP.

- CCO-administered OHP service package
- No enrollee costs (no premiums, no cost-sharing)
- Estimated to cover over 30,000 people who would not otherwise have accessible coverage
- Almost entirely federally funded



Key policy context

Continuing to prioritize Marketplace affordability

Research estimating BHP impact on Marketplace

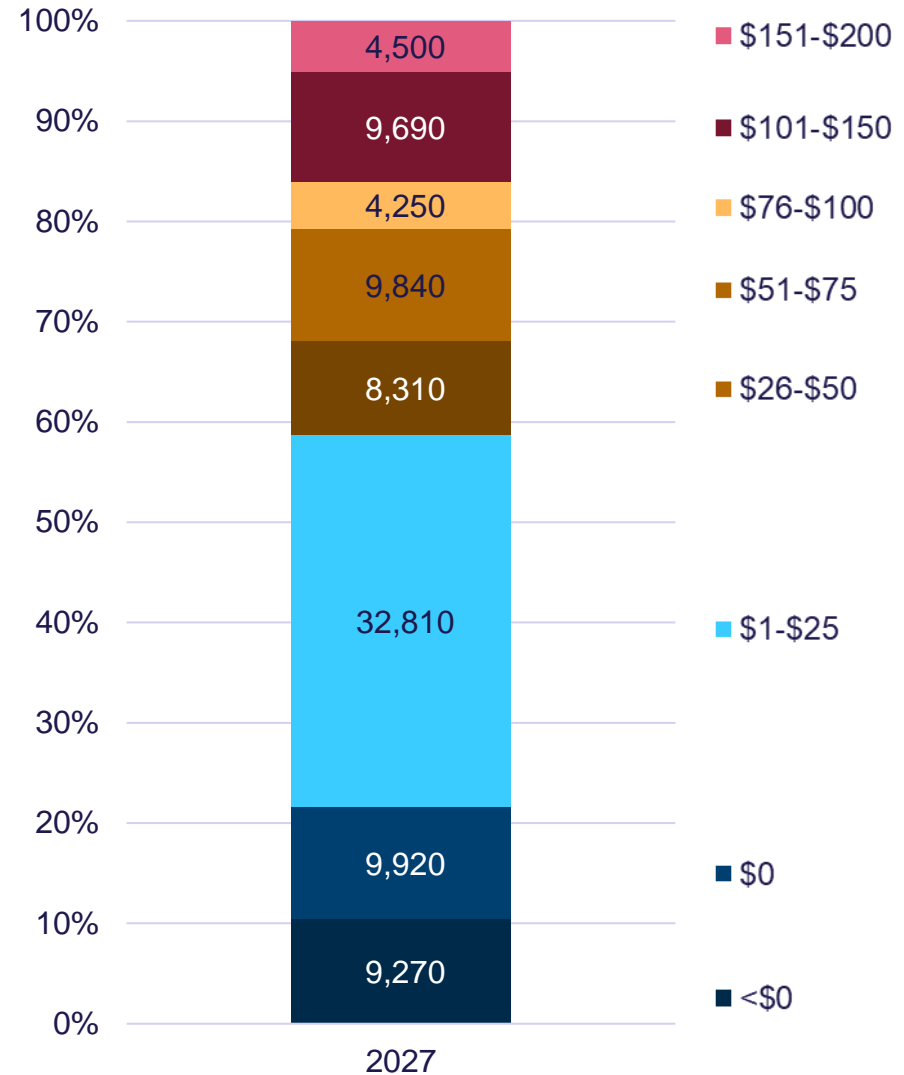
Consumers above 200% FPL on the Marketplace may:

- **Experience some cost increases:** Consumer portion of premiums will increase for most Marketplace consumers. Most premium increases will be on par with regular Marketplace fluctuations. Increases will take place over 3 years and be greatest for consumers at or above 400% FPL.
- **Drop coverage:** An estimated 1,800 consumers above 200% FPL will drop Marketplace coverage in response to premium increases.
- **Switch plans:** Most consumers will either stay on their plan or switch Marketplace plans, primarily switching from Gold to Silver plans following premium increases.

Changes to consumer portion of premiums in 2027

In 2027, most consumers (60%) receiving tax credits are expected to face net premium increases below \$25 per month.

16% of subsidized individuals are expected to face premium increases of \$100 - \$200 /month. This impact is concentrated among consumers with income greater than 400% FPL.



Next steps to improve Marketplace affordability

- **The BHP does not affect 2024 Marketplace premiums;** impact on the Marketplace will occur gradually over 3 years starting in 2025.
- Oregon spent 18 months exploring pathways for federal funding to shield consumers from premium increases that could result from the BHP.
- **Without a State-Based Marketplace (SBM), federal funding is not operationally feasible for CMS.** Oregon's move to an SBM, directed by the legislature to take place in 2027, will help overcome many operational barriers.
- OHA/DCBS continue to meet with Carriers to consider feasible “stopgap” solutions for 2025 and 2026 that do not require help from HealthCare.gov.
- Carrier Table 7th meeting on 10/6/23

Summary

OHA is on track to launch a Basic Health Program in July 2024, which will:

- Provide no-cost coverage to more than 100,000 people
- Help maintain coverage gains achieved through the federal continuous coverage period
- Reduce churn and coverage disruption for people losing Medicaid eligibility
- Maximize federal funding coming to Oregon

Thank You

The logo for the Oregon Health Authority. It features the word "Oregon" in a smaller, orange, serif font positioned above the word "Health". "Health" is written in a large, blue, serif font. Below "Health", the word "Authority" is written in a smaller, orange, serif font. The entire logo is centered within a light blue, curved rectangular background.

Oregon
Health
Authority