ANALYSIS

Oregon Health Authority and Department of Human Services
Redetermination, Coverage Extension, and the Basic Health Plan

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Analyst: Matt Stayner

Request: Acknowledge the receipt of a report from the Oregon Health Authority and the Department of Human Services on the progress made in performing eligibility redeterminations as a result of the end of the public health emergency for COVID-19, utilization of extending Medicaid coverage for members between 138% and 200% of the federal poverty level in anticipation of a basic health program, and the implementation of a basic health program.

Analysis: The report begins with a discussion of the redetermination work that has been completed, outlined by key dates. As of December 13, 2023, the report notes that 1,053,636 people, or 72.5% of the previously enrolled people had completed the renewal process. This implies that the total population of individuals to be redetermined is roughly 1,455,298. The report states that, of the renewals processed to that date, 85.3% were renewed and kept their benefits. This 85% renewal rate was highlighted in the report as the third highest in a comparison of state renewal rates. It is notable however that the 85.3% is of the 72.5% of the total population processed as of December 13th. This translates to 61.75% of the total population being renewed and keeping their benefits as of that date.

The report goes on to state that an additional 143,808 people were sent renewal letters in December. This represents roughly 9.9% of the total population. Interestingly, the initial renewal rate, without additional information being required, of 73.6%, or 105,843 people in this second group was significantly lower than the renewal rate for those in the first round. This lower rate may prove to be misleading however since, 23.8% were subject to additional information requests or asked to fill out a renewal form and may be ultimately renewed. Taking this second initial renewal rate of 73.6% for the second group as a percentage of the 9.9% of the population of which the second group represents adds another 7.3% of the total population renewed after the December letters. This brings us up to a total of roughly 69% of the total population having completed redetermination and retaining coverage.

As of the date of the report, the agencies state that approximately 73% of the medical renewals are complete. This statistic is not clear however since the report stated that 1,053,636 people completed the process as of December 13th and another 105,843 were renewed without additional action following the subsequent December letters. The combination of these is 1,159,479 which is 79.7% of the total population. Given the estimate of 69% of the population being found to continue eligibility, this implies that 10.7% of the total population to date have been found ineligible or had a reduction in their benefits. Of the remaining population, the agency has a timeline for completion of the redetermination process but then discusses the need to receive approval from the Centers for Medicare and Medicaid Services. Follow-up information from the agency indicated that the extension was approved.

The section on coverage extension for member between 138% and 200% of the federal poverty level notes that most of the caseload of 18,169 people that existed in November of last year will move to the basic health plan. It also discusses the fact that the agencies had elected to group those individuals most likely to be eligible for temporary Medicaid expansion in the last pool of remaining individuals to have redeterminations processed and the agencies believe that the caseload of the temporary expansion

program will increase to 55,000 as it transitions to the basic health plan.

The remaining portion of the report provides a detailed discussion of the basic health plan program including timelines, enrollment, technical implementation issues and plans, and stakeholder engagement. The report makes a definitive statement of launching the program in July of this year. The basic health plan has been branded as "OHP Bridge" subcategorized as "Basic Health Program" for the portion administered exclusively by Coordinated Care Organizations (CCOs), and "Basic Medicaid" administered by OHA for those exempt from mandatory enrollment with CCOs. This is similar to the CCO/Fee for Service paradigm for standard Medicaid coverage.

The report touches on the impact to the premium rates for coverage purchased on the health insurance marketplace due to some current purchasers moving to OHP Bridge program. The report indicates that the conversation with insurance carriers centers around developing a subsidy mechanism to reduce rates that consumer see and pay. The technical and legal feasibility of this is still being explored and additional ideas continue to be solicited.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval of the request.

Request: Report by the Oregon Health Authority (OHA) on progress in performing Medicaid redeterminations, the Department's plans for extending coverage for individuals between 138-200 percent of the federal poverty level in anticipation of establishing a Basic Health Plan, and progress in implementing the Basic Health Plan, as directed by a budget note in the budget report for Senate Bill 5525 (2023).

Recommendation: Acknowledge receipt of the report.

Discussion: The budget report for Senate Bill 5525 (2023), OHA's main budget bill for the 2023-25 biennium, includes a budget note with the following direction:

> **Budget Note: Redetermination, Coverage Extension, and the Basic Health Plan**
> The Oregon Health Authority (OHA) shall submit a report with a status update on the progress made in performing redeterminations as a result of the end of the public health emergency for COVID-19, utilization of extended coverage for those between 138-200% of the federal poverty level in anticipation of a basic health plan, and the implementation progress on a basic health plan as described in House Bill 4035 (2022). OHA shall report its finding to the committees and subcommittees of the Legislative Assembly related to health and mental health and to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets at the 2024 legislative session.

The budget note came after the end of the federal government's COVID public health emergency-era (PHE) policies related to eligibility and enrollment in medical assistance, which provided that states would pause redeterminations of eligibility for their medical assistance caseloads in exchange for an enhanced federal match rate. OHA experienced a 39 percent growth in its Medicaid caseload from the beginning of this federal policy change until the caseload peaked in June 2023. A significant portion of this caseload growth is due to stopping the process of redetermining individuals off the caseload due to fluctuations in income (a process known as "churn"). As a result, Oregon's insured rate increased from 94.0 percent in 2019 to 95.4 percent in 2021. While Oregon Health Plan coverage increased from 25.4 percent in 2019 to 29.4 percent in 2021, group coverage declined from 49.3 percent to 47.2 percent and individual marketplace coverage declined from 4.0 percent to 3.7 percent.

In anticipation of the end of the PHE and the return to pre-pandemic eligibility rules for Medicaid, the 2022 Legislature passed House Bill 4035 to establish a framework for OHA and Oregon Department of Human Services (ODHS) to manage the redetermination process and to preserve health insurance coverage for as many Oregonians as possible. House Bill 4035 directed OHA to prioritize and sequence their redetermination work to protect coverage for vulnerable groups as well as to work with the federal government to explore options to maximize the coverage gains experienced as a result of the PHE-era eligibility rules. HB 4035 directed OHA to pursue any federal approval necessary, including (but not limited to) a Section 1115 waiver, a Section 1332 waiver, and a Basic Health Plan, to achieve the legislative goals of the bill. OHA was directed to convene the Joint Task Force on the Bridge Health Care Program to develop

a proposal for a plan to maintain the state's coverage gains during the pandemic, with final approval to come from a vote of the Oregon Health Policy Board. After an extensive process, the Task Force determined the best plan going forward was to establish a Basic Health Plan (BHP, described in more detail below) to cover those between 138 and 200 percent of the federal poverty level. In order to ensure continuous coverage for those potentially eligible for BHP coverage after they were redetermined off the base Medicaid program, OHA worked with the Centers for Medicare & Medicaid Services (CMS) to negotiate a temporary coverage extension (TCE, described in more detail below) program. To implement this plan the 2023 Legislature appropriated $74.6 million General Fund, provided $633.0 million Federal Funds expenditure limitation, and authorized the establishment of 31 positions (25.25 FTE) through Senate Bill 5525, OHA's main budget bill for the 2023-25 biennium.

Below is a table showing the status of the schedule, budget, and caseload impacts of the major policies authorized by the legislature in House Bill 4035 (2022) and Senate Bill 5525 (2023):

Major Component	Schedule		Budget		Caseload	
	Planned	Current	2023-25 LAB	Current	Forecasted	Current
Redeterminations	4/2023 – 7/2024	4/2023 – 2/2025 (tentative)	Various	No change	1,310,500 avg. for 2023-25 (Fall 2023)	+4.7% over (12/2023)
Temporary Coverage Expansion	4/2023 – 7/2024	No change	$51.6m GF / $75.8m FF	$125.6m GF / $186.0m FF	13,400 avg. (Spring 2023)	35,000 avg. (Fall 2023)
Basic Health Plan	Starting 7/2024	No change	$533.5m FF	$670.5m FF	102,100 max. (Spring 2023)	No change

As with many major initiatives, there have been adjustments to the original plans due to changed circumstances (discussed in greater detail below). Briefly, the redeterminations effort has been prolonged by eight months due primarily to issues with how the Integrated Eligibility (ONE) system is able to process certain types of redeterminations, while TCE and BHP portions of the plan are either currently serving clients or are on track to be ready as anticipated. Related to the need to prolong the redeterminations effort, redeterminations through the end of December 2023, have resulted in 65,600 (4.7 percent) more members for OHA's caseload than forecasted in Fall 2023. Higher than anticipated transfers into the TCE have resulted in an updated estimate of 21,600 more members eligible. OHA has also identified needs for additional funds for the TCE and the BHP that are included in its Fall 2023 budget rebalance.

<u>Redeterminations</u>

OHA, working with ODHS, has made significant progress in redetermining eligibility for its entire Medicaid caseload. As of the date of this analysis, OHA and ODHS had completed approximately 1,241,700 of the 1,646,800 (75.0 percent) Medicaid redeterminations planned. As a result of the policy changes directed by House Bill 4035, Oregon's redetermination process and performance stand out among the 50 states going through the redeterminations in terms of preserving coverage for eligible members. According to the most recent data from the Kaiser Family Foundation, Oregon experienced the third-lowest decline (-1.4 percent) in its Medicaid caseload of all states thus far in the process. Relatedly, Oregon has the second highest renewal rate

of all states at 86.4 percent and the 4th lowest rate of members terminated due to procedural reasons such as not responding to mailed requests at 10.7 percent. This work reflects the priority placed on maintaining coverage for Oregonians, extended timelines for responding to requests for information, the focus of the early portion of the redetermination work on member cases, which could be determined using third party information (ex parte renewals), improvements in the Integrated Eligibility system's income verification and matching capabilities, and the planning work done by OHA and ODHS in the interim to increase outreach, improve communications, and coordinate with CCOs for updated member contact information.

Another factor affecting OHA's caseload is the need to delay redetermining approximately 150,000 cases until May 2024, due to an issue raised by CMS regarding how ex parte renewals were being done. CMS directed Oregon (and 29 other states) to pause certain types of redeterminations because ex parte renewals were being conducted at the household level but not the individual level. CMS raised concerns that state practices would inadvertently result in the disenrollment of children who would otherwise be eligible because other members of their household were ineligible. OHA and ODHS re-enrolled the individuals who were found ineligible and paused redeterminations on approximately 160,000 similarly situated cases. Currently, Oregon's Integrated Eligibility system is set up to determine eligibility on a "case", or household, level. OHA and ODHS need to make changes to the system in order to allow these redeterminations to proceed as directed by CMS but cannot do so due to resource and system constraints. OHA is currently working with CMS on a plan to finish redetermining these cases. The Departments anticipate having system updates complete in May 2024, with final appeals and determinations taking until February 2025. OHA anticipates a higher (but uncertain) percentage of these cases will be redetermined off the caseload due to more cases requiring active renewals and due to having higher income or assets than eligibility rules allow.

A second factor affecting the Departments' redetermination efforts is concerns raised by advocates about the notices provided to participants in the Oregon Supplemental Income Program - Medicaid. These are Medicaid members who are eligible under the Aged, Blind, and Disabled program who are under income for Supplemental Security Income. These benefits are subject to resource and asset tests. There was concern members weren't understanding the notices they were receiving and would be at risk of not responding to the requests and losing benefits. OHA and ODHS are working with advocates to redesign the notices and change how Integrated Eligibility functions to stop it from sending out notices using confusing or incomplete language. The need to do this work has caused delays in redetermining approximately 16,000 cases, with the goal of restarting these redeterminations in May 2024.

The relatively high rate of renewals and the interactions between the various eligibility policy changes in Oregon were not anticipated in the caseload forecasting process for OHA's Medicaid caseload, leading to the caseload coming in higher than forecasted. The Fall 2023 caseload estimates an average of 1,310,500 members during the 2023-25 biennium, with a peak of 1.5 million members in June 2023, and a decline from that peak to an average of 1.2 million members in July of 2024. The caseload reached its peak but has not declined significantly since. Preliminary data from December 2023, show the forecast has maintained approximately 65,600 more members (4.7 percent) than forecast, with the gap between forecast and actuals widening each month. The

change is concentrated in the Affordable Care Act (ACA), Children's Health Insurance Program, Old Age Assistance and Healthier Oregon Program eligibility groups. It is difficult to say with certainty the extent to which each of the changes noted above have contributed to these trends. The Spring 2024 Medicaid caseload forecast will try to estimate the impact of these changes on 2023-25, as well as make an early prediction about the impact of these changes on the 2025-27 biennium.

Through Senate Bill 5525 (2023), OHA received $22.2 million General Fund, $22.8 Federal Funds expenditure limitation, and 23 positions (19.25 FTE). This was intended to fund a call center and staff to assist those found ineligible for Medicaid as a result of redeterminations but who would be eligible for the Basic Health Program, ensuring the information and assistance needed to transition to Oregon's temporary Medicaid expansion eligibility and ensure continuity of coverage. Through the first rebalance of 2023-25 neither OHA nor ODHS is reporting an additional budget need related to this body of work.

Coverage Extension

The temporary coverage extension bridges the time between when someone with Medicaid is determined ineligible due to having income between 138 and 200 percent of the federal poverty level but before the establishment of the BHP planned for July of 2024. OHA submitted a Section 1115 waiver amendment to CMS to establish the TCE. CMS approved the policy in April 2023. The state will continue to receive federal match for this population, who will remain enrolled in their Coordinated Care Organization (CCO).

OHA has been experiencing higher than anticipated transfers into the TCE. Senate Bill 5525 (2023) included $51.6 million General Fund and $75.8 million Federal Funds expenditure limitation to cover an average of 13,400 lives, with a peak of 59,300 individuals covered by this program when the transfer to the BHP is supposed to occur. Enrollment has been higher than anticipated, leading to an increase in the forecast for this population to an estimated average 35,000 enrollees and an additional cost of $74.0 million General Fund and $110.2 million Federal Funds. The peak enrollment is expected to remain at 59,300 individuals but to reach that peak faster and thus to result in higher than anticipated enrollment on average. OHA's request to fund this increased caseload is embedded within its Fall 2023 rebalance request related to its caseload.

Basic Health Plan

The final piece of the House Bill 4035 framework is the development of a Basic Health Plan, which will provide Medicaid-like benefits at no cost to approximately 102,100 Oregonians with incomes between 138 and 200 percent of the federal poverty level. BHP-eligible individuals would have their care handled by their current CCO. Federal Funds to support the BHP come from payments equivalent to 95 percent of what the federal government would have paid in Advance Premium Tax Credits to subsidize the coverage of BHP-eligible individuals on the individual marketplace. OHA's estimates are that federal revenues would be sufficient to pay for the cost of their health coverage. OHA submitted its application to establish a BHP to CMS in Fall 2023. As of the date of this analysis the program had responded to questions from CMS and was awaiting approval.

When fully implemented, the BHP will include not just the estimated 55,000 individuals transferring over from the TCE, but also an estimated 36,000 individuals in the BHP income range who purchase commercial insurance plans on Oregon's individual marketplace as well as approximately 11,000 uninsured individuals.

Senate Bill 5525 provided OHA with $533.5 million Federal Funds expenditure limitation to pay for the health benefits of those covered by the Basic Health Plan from July 1, 2024, through June 30, 2025, as well as $0.8 million General Fund, $0.8 million Federal Funds expenditure limitation, and eight positions to administer the program. OHA has requested $136.5 million in additional Federal Funds expenditure limitation in its first rebalance of 2023-25, due to updated information and assumptions around actuarial rate setting, the population to be served, and anticipated utilization, as well as resolution with CMS of a few outstanding questions about whether the program could cover mental health drugs and reproductive health services.

There are a few outstanding policy and budget issues related to the BHP at this time:

- OHA's request to allow participation in the program by Oregonians for whom CCO enrollment is not mandatory is pending with CMS. OHA anticipates CMS approval for this request; $7.0 million of the $136.5 million Federal Funds expenditure limitation requested in rebalance is intended to address this issue.
- Due to cross-subsidies within Oregon's Health Insurance Marketplace related to cost-sharing reductions, the departure of an estimated 36,000 Oregonians may have the unintended consequence of increasing premiums for those remaining on the Marketplace and the higher prices could lead a few thousand current Marketplace enrollees to drop coverage. OHA continues to work with the Department of Consumer and Business Services and commercial carriers to understand these impacts and identify potential mitigating strategies.
- It is unclear how many individuals covered by a Marketplace plan will transfer over to the BHP when it becomes available July 1, 2024. Many of these members have selected an option to automatically re-enroll in their current health insurance plan or an equivalent plan. Based on past experience with the Affordable Care Act Medicaid expansion, it is likely that some portion of these members will default to or opt to continue their same plan.
- Program revenues may be reduced due to the expiration of enhanced tax credits included in the Inflation Reduction Act. Revenues are currently elevated due to temporary increases in Advance Premium Tax Credits established by the Inflation Reduction Act. If the tax credits expire as scheduled at the end of the 2025 tax year, there may be an impact to the program in 2025-27.

Oregon Department of Human Services
Office of the Director
Oregon Health Authority
Tina Kotek, Governor
500 Summer Street NE
Salem, OR 97301

January 12, 2024

Joint Committee on Ways and Means
House Committee on Behavioral Health and Health Care
900 Court Street NE
Salem, OR 97301-4048

Dear Members:

NATURE OF REPORT

The Oregon Health Authority (OHA) and Oregon Department of Human Services (ODHS), in response to the budget note included in Senate Bill 5525A (2023), requests acknowledgement of this report, which includes status updates on progress made in:

- Performing redeterminations because of the end of the federal COVID-19 Public Health Emergency,
- Extending Medicaid coverage for members between 138 and 200 percent of the federal poverty level (FPL) in anticipation of a basic health program, and
- The implementation of a basic health program as described in House Bill 4035 (2022).

Budget Note: Redetermination, Coverage Extension, and the Basic Health Program

The Oregon Health Authority shall submit a report with a status update on the progress made in performing redeterminations as a result of the end of the public health emergency for COVID-19, utilization of extended coverage for those between 138-200% of the federal poverty level in anticipation of a basic health program, and the implementation progress on a basic health program as described in House Bill 4035 (2022). OHA shall report its finding to the committees and subcommittees of the Legislative Assembly related to health and mental health and to the subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets at the 2024 legislative session.

AGENCY ACTION

Redeterminations

As of Dec. 13, 2023, 1,053,636 people have completed the renewal process. This represents 72.4 percent of all Oregon Health Plan (OHP) and Medicaid members.

- 898,868 people (85.3 percent) were renewed and kept their benefits.
- 140,535 people (13 percent) were found ineligible.
- 16,227 people (1.5 percent) had a reduction in their benefits. Most of these members lost full OHP but were able to continue Medicare Savings Programs that help pay their Medicare costs.

Oregon's 85 percent renewal rate is the third highest in a national comparison of state renewal rates by KFF, a nonpartisan health policy organization.

In December, renewal letters were sent to an additional 143,808 people.

- 73.6 percent were renewed without any action needed.
- 21.4 percent were asked to provide some information to renew. The most common requests are for income-related proof such as paystubs, or forms of identification such as a government identification or birth certificate.
- 2.4 percent were asked to fill out a renewal form.
- 2.9 percent had previously reported that they no longer met income limits or other requirements and received a notice that their benefits will end in 60 days.

Approximately 73 percent of medical renewals are complete, with roughly 27 percent of renewals left to go. Within that group of 27 percent are:

- About 275,000 who began the renewal process in January 2024, and
- Approximately 100,000 who are tentatively scheduled to begin the renewals process in spring 2024. This will be the final group to complete renewals. The group includes people whose benefits were restored and renewal dates were rescheduled to prevent inappropriate closures due to automated renewals, or closures or reductions for people with Oregon Supplemental Income Program - Medical (OSIPM) benefits.

Before finalizing a timeline for these last rounds of renewal letters, ODHS/OHA must:

- Receive approval from the Centers for Medicare & Medicaid Services (CMS), and
- Complete updates of the renewal notices for OSIPM recipients.

Extended coverage for members between 138 and 200 percent FPL

Oregon established a new Temporary Medicaid Expansion (TME) eligibility category to temporarily cover adults with income between 138 and 200 percent FPL until OHP Bridge launches in July 2024. During redetermination, Oregon will continue to accept eligible adults into this category.

As of Nov. 30, 2023, TME covers 18,169 people; most but not all of them will move to OHP Bridge. Exceptions to this include:

- Members redetermined at or below 138 percent FPL whose incomes fluctuated into the TME category will stay in traditional OHP due to new two-year continuous eligibility for adults.
- Members in the TME category who have employer coverage, which would make them ineligible for OHP Bridge.

Since ODHS/OHA chose to renew members most likely to be TME-eligible later in the redeterminations process, the TME caseload has grown slowly. However, ODHS/OHA expects this caseload to increase in the first quarter of 2024. Current TME caseload approximates expected enrollment numbers for this time. ODHS/OHA expects total TME enrollment to reach 55,000 by time OHP Bridge launches in July.

Basic Health Program implementation

During the COVID-19 pandemic, Oregon experienced record-high insurance rates across the state, with individuals with income between 138 and 200 percent FPL experiencing the most notable increases. OHP Bridge will ensure that this population, which traditionally churns on and off OHP due to fluctuations in income, maintains access to health care through their coordinated care organization (CCO).

- The program will launch in July 2024.

- Over the course of the first few years of implementation, the program will cover an estimated 55,000 individuals currently covered by OHP; 36,000 individuals currently covered by Marketplace plans, and 11,000 individuals who are currently uninsured.

On Sept. 29, 2023, OHA Interim Director Dave Baden provided an update to the House Behavioral Health and Health Care Committee regarding OHP Bridge authorized under House Bill 4035 (2022). The update reminded committee members that OHA is applying for Basic Health Program (BHP) authority, regulated under Section 1331 of the Affordable Care Act, to administer OHP Bridge.

- Section 1331 authorizes states to access federal funding to provide health care coverage for individuals with income up to 200 percent FPL who would otherwise be eligible for Marketplace coverage.
- To access the federal funding, states must submit a BHP Blueprint to CMS. Once approved, states receive federal funding to cover BHP-eligible enrollees.
- On Sept. 12, 2023, the Oregon Health Policy Board voted unanimously for Oregon to be the third state in the country to submit a BHP Blueprint. The Blueprint outlines a BHP administered by CCOs that covers the OHP benefit package at no cost to the enrollee.

In addition to applying for Section 1331 authority to administer a BHP through CCOs, OHA applied for an amendment to its OHP 1115 Medicaid waiver to allow permanent expansion of Medicaid up to 200 percent FPL for individuals exempt from CCO auto-assignment.

- This authority allows OHA to maintain the choice between open card (fee-for-service) and CCO coverage that is currently available to all American Indian/Alaska Native individuals in Oregon.
- CMS has committed to working toward rapid approval of this amendment and has indicated in writing that they see no major barriers to approval.

OHA wishes to provide the following updates on work that have been underway since the Nov. 6, 2023, presentation to the Joint Ways and Means Human Services Subcommittee.

OHP Bridge branding

Oregon's two new, complementary programs to extend coverage to adults with income from 138 to 200 percent FPL will be collectively referred to as "OHP Bridge."

- "OHP Bridge – Basic Health Program (BHP)" will be administered exclusively by CCOs.
- "OHP Bridge – Basic Medicaid" will be available to those exempt from mandatory enrollment with CCOs.

While the OHP Bridge benefit package is the same in both programs, a distinction is necessary to operationalize slight variations in eligibility rules and due process rights.

Trust Fund Workgroup

HB 4035 authorized the creation of a BHP Trust Fund. This Trust Fund will accept federal funds to administer OHP Bridge - BHP. Management of the BHP Trust Fund will require new OHA and ODHS workflows to send anticipated enrollment figures to CMS and reconcile enrollment on a quarterly basis.

- The Trustees identified in the Blueprint — all of whom hold leadership positions at OHA and ODHS — convened in October to further clarify the role of Trustees and offer greater information regarding federal regulation of Trustees and the Trust Fund at large.
- A BHP Trust Fund Workgroup staffed by OHA and ODHS is developing Trust Fund management workflows and structures for the Trustees' review.

Rulemaking

The first draft of OHP Bridge rules have completed Department of Justice (DOJ) review. OHA will hold the rules advisory committee (RAC) for OHP Bridge – BHP rules Feb. 6-7, 2024.

- RAC member recruitment began with 19 presentations in December 2023 at Community Partner Outreach Program collaboratives. The presentations provided a high-level summary of OHP Bridge and encouraged attendees to participate in the RAC.

- OHA will follow up these meetings with another round of 24 presentations in January 2024 to provide greater detail regarding OHP Bridge and again encourage RAC participation.

OHA has sent rules related to operationalizing OHP Bridge – Basic Medicaid to Tribal Affairs for final review. Once approved by Tribal Affairs, OHA will send a Dear Tribal Leader letter to the Oregon Tribes about these rules. OHA is seeking a RAC exception for the OHP Bridge – Basic Medicaid rulemaking process. This will ensure that OHA conducts the rulemaking process in accordance with Oregon's government-to-government relationship with the Tribes.

CCO engagement

The BHP team completed 13 monthly meetings with CCOs, discussing complex policy decisions to ensure CCO readiness to administer the OHP Bridge beginning July 2024. OHA held the final meeting in this series Nov. 30, 2023. This meeting offered updates about transitioning members from the TME eligibility category to OHP Bridge, treatment of individuals hospitalized at time of enrollment, OHP Bridge branding and high-level differences between traditional Medicaid and OHP Bridge contracts.

OHA also holds a monthly meeting with CCOs focused on capitation rate development. Beginning in January 2024, OHP Bridge staff will join the biweekly Redeterminations CCO Workgroup to provide CCO operations staff regular updates on preparations for OHP Bridge launch.

Eligibility and payment management systems development

OHA and ODHS continue to implement system changes to Oregon's ONE Eligibility System and the Medicaid Management Information System (MMIS) to prepare for the OHP Bridge launch.

- Updates to Oregon's ONE system will enable people to apply for, and be determined eligible for, OHP Bridge coverage.
- Updates to MMIS will enable Oregon to pay capitation rates to CCOs for OHP Bridge coverage.

Given a multitude of other ongoing system changes, such as those needed to implement the Healthier Oregon and Continuous Eligibility components of Oregon's OHP 1115 Medicaid waiver, system changes needed to implement

OHP Bridge are happening on a very tight timeline. Changes for both ONE and MMIS are in design and/or build stages. ODHS/OHA expect these changes to be ready for implementation in June 2024, in advance of OHP Bridge implementation in July.

Insurance carrier engagement

Since the BHP Task Force first recommended meeting with insurance carriers to discuss Marketplace affordability in September 2022, OHA and the Department of Consumer and Business Services (DCBS) have convened the insurance carriers eight times for such discussions.

- As a result of this engagement, the Governor's Office, OHA and DCBS leadership directed staff to explore the operational feasibility of strategies to address potential premium increases in the marketplace as a result of the BHP using non-federal funds.
- The goal is to develop a stopgap strategy for 2025-2026 until a State-based Marketplace (SBM) is in place in 2027. An SBM may allow more options for federal funding to come back into play.

On Oct. 9, 2023, OHA and DCBS held its seventh Carrier Table to discuss feasible subsidy solutions. The meeting focused on the two subsidy concepts still under consideration for implementation beginning in plan year 2025: a visible and an invisible subsidy. DCBS held a follow-up technical advisory meeting with carriers on November 3 to further examine the operational feasibility of these subsidy options and to solicit new ideas to minimize consumer premium impact in 2025.

During these meetings, carriers expressed interest in continuing to look into these strategies. They were particularly interested in ways to reduce rates at point of filing to keep the subsidy invisible to consumers and minimize confusion. OHA and DCBS staff have highlighted that there may be possible rate filing issues with this strategy and plan to seek guidance from CMS on these issues in early 2024.

Health Insurance Marketplace Advisory Committee engagement

OHA continues to regularly engage carriers and other interested parties, such as insurance agents and community partners, through regular presentations to the Health Insurance Marketplace Advisory Committee. Most recently, OHA staff joined a December 7 meeting to update the

committee on overall BHP implementation status and discuss ongoing work to identify and implement strategies to mitigate impact on existing Marketplace consumers.

ACTION REQUESTED

Acknowledge the receipt of this report.

LEGISLATION AFFECTED

None.

Sincerely,

Fariborz Pakseresht, Director
Oregon Department of Human Services

Dave Baden, Interim Director
Oregon Health Authority

EC: Matt Stayner, Legislative Fiscal Office
Amanda Beitel, Legislative Fiscal Office
Patrick Heath, Department of Administrative Services
Kate Nass, Department of Administrative Services