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February 22, 2024

Senator Wlinsvey Campos, Co-Chair  
Representative Andrea Valderrama, Co-Chair  
Joint Ways and Means Human Services Subcommittee  
900 Court Street NE  
State Capitol  
Salem, OR 97301

Dear Co-Chairs and Committee Members:

Please find below additional information requested at the Joint Ways and Means Human Services Subcommittee meeting on Feb. 21, 2024, regarding the Basic Health Program (OHP-Bridge).

### **How do you anticipate the OHP Bridge population to grow over time?**

Enrollment into OHP Bridge will come from three broad populations. OHA estimates 45,000-65,000 individuals will move over from Medicaid when the program launches in July 2024. Over the next three years, OHA estimates about 11,000 individuals who are currently uninsured will enroll in OHP Bridge. Finally, by January 2027, OHA expects more than 36,000 people to move to OHP Bridge from the Health Insurance Marketplace. By 2027, OHA estimates 102,000 individuals will be enrolled in OHP Bridge. Enrollment estimates after 2027 are pending economic forecasts. OHP Bridge forecasts will be incorporated into broader biannual OHP forecast reporting.

Please note that federal funding is determined on a per-enrollee basis; as enrollment increases, so will federal funds. Furthermore, the current enrollment forecast (102,000 people by 2027) assumes that the covered population will grow over time as individuals move from the Marketplace and as people without health insurance coverage apply for OHP Bridge. In the long run, growth should be expected to vary with the economy; as the number of people with income between 138-200% FPL fluctuates, people may move between OHP Plus, OHP Bridge, and Marketplace coverage.

### **Is the Basic Health Program (BHP) 95% or fully funded by federal dollars?**

OHP Bridge – Basic Health Program (BHP) will be funded almost entirely by federal dollars. The Bridge Trust Fund will receive funding on a quarterly basis that equals roughly 95% of what individuals would have otherwise received in the form of tax credits to purchase coverage on the Marketplace. Based on the current federal funding mechanism and current federal subsidies, federal funds will account for more than 99% of the projected costs of OHP Bridge – BHP. Put another way, for each \$1 the state invests in OHP Bridge – BHP, Oregon will receive more than \$500 in federal funds.

**What is the impact to the Marketplace and what is the status of efforts to mitigate that impact?**

OHP Bridge – BHP will not affect 2024 rate-setting in the Marketplace. For plan year 2025, the Department of Consumer and Business Services' (DCBS) Division of Financial Regulation (DFR) is planning to direct carriers to file rates with a uniform silver load across all Marketplace silver plans with a conservative assumption about OHP Bridge - BHP uptake in 2025. This should result in modest premium changes that maintain market stability in 2025.

Beginning in 2026, 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 three 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. Current gold premiums are lower than some silver premiums, so gold plan enrollees may change to silver plans to maintain premium levels.

Based on recommendations from the HB 4035 (2022) Bridge Health Care Program Task Force, Oregon spent 18 months exploring pathways for federal funding to shield consumers from premium increases that could result from OHP Bridge. Without a State-Based Marketplace (SBM), none of the pathways for federal funding were operationally feasible for CMS. OHA and DCBS leadership have directed staff to work with carriers to explore the operational feasibility of mitigation strategies using non-federal funds, with the goal of developing a “stopgap” strategy for 2026 until an SBM is in place in 2027 (with an SBM, it's possible that additional options for federal funding could come back into play).

OHA and DCBS held its seventh Carrier Table on Oct. 9, 2023, 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 and 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 are currently seeking guidance from CMS on these issues.

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Please see OHA's [November 2023 report to the Joint Ways and Means Subcommittee on Human Services](#) as well as the [July 2023 OHPB webinar on this topic](#) for more detailed information on the projected OHP Bridge impact on Marketplace consumers above 200% FPL.

Please do not hesitate to reach out if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Sejal Hathi".

Sejal Hathi, MD MBA  
Director