



OREGON  
**HEALTH**  
AUTHORITY

September 30, 2025

# **Federal Impacts to Medicaid, Marketplace, and Rural Health**

**House Committee on Health Care**

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# Agenda

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- House Resolution (H.R.) 1 Medicaid and Marketplace timeline
- Impact Considerations
- H.R.1 major areas of financial impact and considerations:
  - Medicaid policy and work requirements
  - Eligibility changes and system impacts
  - Rural Health Transformation Fund
  - Marketplace changes
- Rural Impacts
- Communication and Engagement plans
- Q+A

# Effective dates for Medicaid and Marketplace provisions

## January 1

- Removal of advanced premium tax credit repayment caps
- Non-citizens with incomes > 100% federal poverty level and under 5-year bar are no longer eligible to receive premium tax credits
- Failure to reconcile allowance period reduced
- Stricter pre-enrollment income verification and special enrollment period verification\*
- Changes to actuarial value to permit less generous plans\*
- Gender affirming care not allowed as an Essential Health Benefit but state requirements remain in effect.

## January 1

- Refugees and asylees no longer eligible to receive premium tax credits
- Shortened open enrollment period must start no later than Nov. 1 and end no later than Dec. 31.

## January 1

- Ending automatic re-enrollment starting in the 2028 open enrollment period

\* Pending final decision on *City of Columbus v Kennedy*.

2025

2026

2027

2028

2029

## July 4

- E&E Final Rule prohibitions
- Delay NF Staffing Ratio rule implementation
- Prohibits lower provider taxes based on volume; prohibits taxes at higher rate for Medicaid units of service
- State directed payment (SDP) cap at 100% for new SDPs
- Planned Parenthood banned from Medicaid participation

## December 31

- Application deadline for Rural Health Transformation funding

## July 4

- End Planned Parenthood ban

## October 1

- Regular Federal Medicaid Assistance Percentage (FMAP) for emergency services
- End of Medicaid/Children's Health Insurance Program funds for certain non-citizens
- New provider taxes and increases before 6/4/25 prohibited

## December 31

- Conduct redeterminations every 6 months

## January 1

- Implementation date for work requirements
- Limit retroactive coverage
- Required standard process to update address information
- Verify eligibility quarterly against Death Master file quarterly
- 1115 Waiver Budget Neutrality requirement codified

## October 1

- Provider tax cap reduced by a half percentage point per year until 3.5% reached

## January 1

- Home equity limit allowable for long-term care seekers
- State directed payments reduce by 10 percentage points per year until no greater than 100% of Medicare levels

## July 1

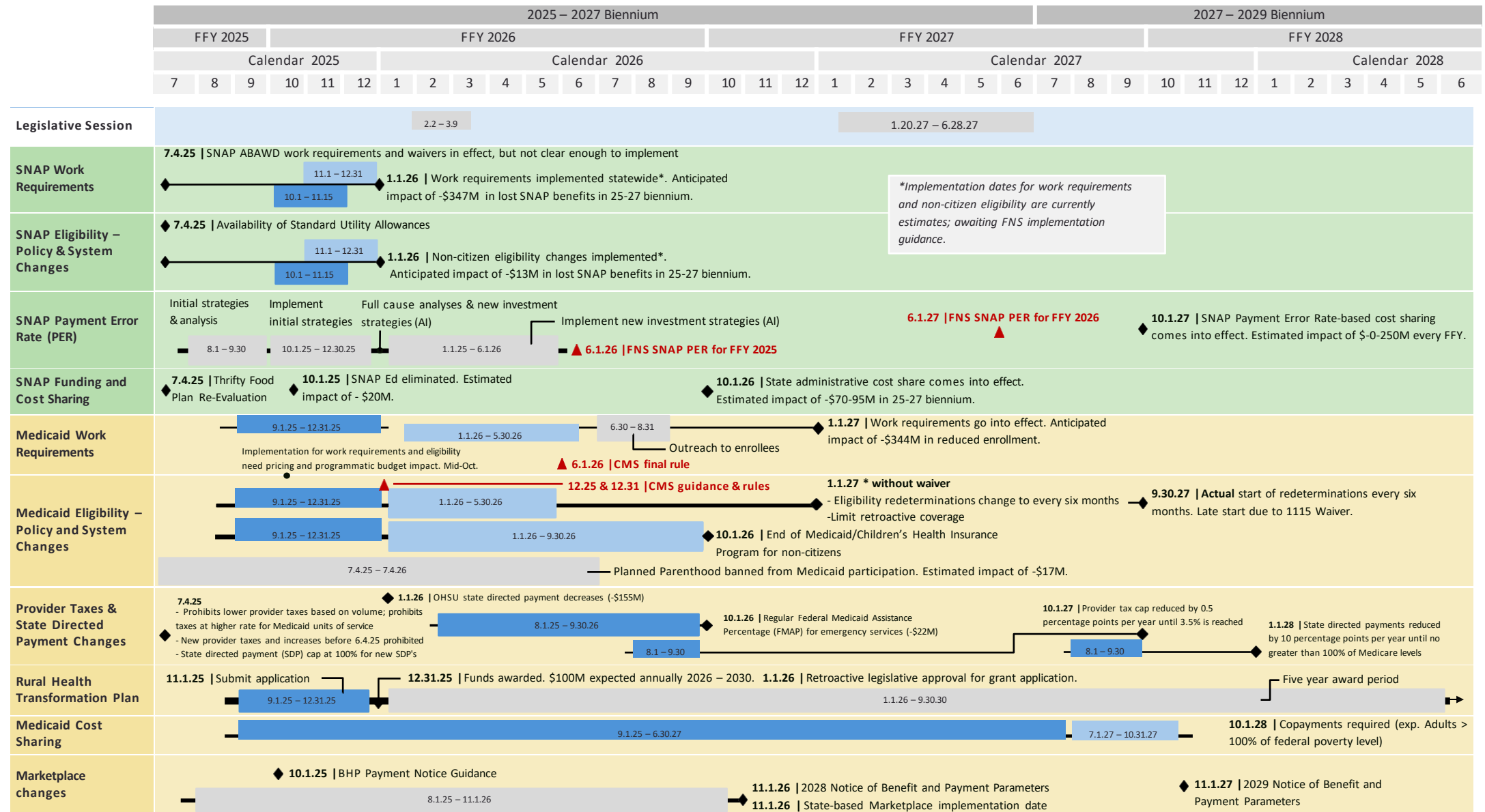
- New home and community-based services (HCBS) waiver option

## October 1

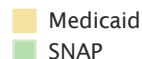
- Copayments required (exp. Adults, >100% federal poverty level)

## October 1

- Eliminates option to waive disallowance of federal funds associated with "excess" improper payments



Legend:



• Key Date



HR.1 Effective Date



Decision point

Program design

System design

Other date range

# Working Together to Support Oregonians Most Impacted by H.R.1

Who will be most impacted by House Resolution (H.R.) 1?

Rural  
residents

Working  
families

People with  
disabilities

Immigrants  
and  
refugees

Families  
with mixed  
legal status

Caregivers



# Work Requirements: Overview

As of December 31, 2026, states are required to establish work/community engagement requirements for individuals ages 19-64 in the **adult expansion group** ( $\geq 80$  hours of work or related activities for the month prior to application or renewal month).

**Exceptions:** AI/AN; pregnant or postpartum individuals; parents/caretakers with children  $\leq 13$ , or caring for someone with a disability; veterans w/ disabilities; medically frail; alcohol/SUD treatment; recently incarcerated; alcohol/SUD treatment programs; former foster care; and those meeting TANF/SNAP work requirements.

- The law prohibits access to subsidized Marketplace coverage for those who lose Medicaid under this provision.
- OHA and ODHA will need to **collaborate on program design across Medicaid and SNAP.**
- States must use reliable information available (including use/implementation of electronic interfaces and/or databases) to verify compliance Note: HR1 also requires this population be renewed **every 6 months.**
- There are **optional short-term exceptions**, incl. individuals in certain skilled nursing or inpatient facilities, or residing in counties where the unemployment rate exceeds a specific threshold.

OHA (and ODHS) will need to make major IT system changes; IT system changes will directly impact Oregon's ability to keep people enrolled.

# Work Requirements: *Timeline*

**Note:** Timeline assumes Dec 31, 2026 implementation date without waiver, timeline would be revisited if good faith waiver is allowed and required

	2025	2026	2027
<b>State Session</b>	<b>Sept/Oct:</b> Short session budget ask developed. Implementation needs pricing and programmatic budget impact mid-Oct <b>Nov:</b> Short session LCs due	<b>Jan:</b> Leg days presentation on rebalance requests <b>Feb:</b> Short session	
<b>Federal Interactions</b>	<b>Dec:</b> Evaluate good faith waivers	<b>Jan:</b> Request CMS system 90/10 funding <b>June:</b> CMS final rule deadline <b>Dec 31:</b> SPA Effective Date	<b>March:</b> SPA submission deadline
<b>System Requirements</b>	<b>Sept/Oct:</b> System prioritization plan for Work Requirements <b>Dec:</b> Schedule IT system changes	<b>Jan:</b> Begin designing IT system changes <b>Nov/Dec:</b> Implement work requirements in ONE and MMIS for a December 31, 2026 start date	
<b>Policy and Operations</b>	<b>Dec:</b> Determine policy design, exceptions criteria, how IT systems will interact and how IT systems will be used to automate the verification process	<b>Jan:</b> Develop and amend <b>May:</b> Design impact evaluation <b>June:</b> Member outreach begins	<b>Jan:</b> Policy is in effect

# Work Requirements: *Considerations*

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- Significant IT systems costs as well as increased eligibility determinations needed with added complexity and more people cycling on and off the Medicaid program.
- CMS final rules are not required until June 2026, six months prior to the implementation date.
  - Policy rules for defining exceptions to meeting the work requirements, process people would go through to prove eligibility, and how federal and state IT systems could connect to determine eligibility will be defined in rulemaking.
- Development of IT systems timelines and policy requirements is just beginning and will continue to be developed and change based on further CMS policy over the next 6-9 months.
- The state has discretion to focus on keeping people insured by being expansive with IT systems connections, exemptions rules, and member communications and appeals processes; however, that would likely require a more significant investment in IT, eligibility workers, and communications.
- **Known cost requirements:** IT system changes, increased eligibility workforce, and member communications.



# Eligibility Changes: Overview

## Eligibility Policy Changes Include:

- End federal Medicaid/CHIP funds for certain non-citizens
- Monthly submissions of enrollee data
- Verify death eligibility quarterly
- Home equity limits
- Retroactive coverage reduced from 90 days to 60 or 30 days

## Policies specific to the Expansion eligibility group:

- Redeterminations every 6 months
- Copayments for certain higher income individuals

- Most adult Medicaid members will be required to **redetermine eligibility** every 6 months

- In October 2027 **Oregon's 1115 continuous coverage** will end, requiring all members to redetermine eligibility more often

- Cost sharing will become required in October 2028 for many adult members over 100% FPL, certain non-AI/IN members, with other exceptions

- Other eligibility changes will be required and will **reduce federal reimbursement**

Reduced Medicaid enrollment may lead to increased uninsurance

# Eligibility Changes: *Timeline*

	2025	2026	2027
<b>State Session</b>	<p><b>Sept/Oct:</b> Short session budget ask developed. Implementation needs pricing and programmatic budget impact mid-Oct</p> <p><b>Nov:</b> Short session LCs due</p>	<p><b>Jan:</b> Leg days presentation on rebalance requests</p> <p><b>Feb:</b> Short session</p>	
<b>Federal Interactions</b>		<p><b>Jan 5:</b> CMS guidance on eligibility changes due</p> <p><b>Oct 1:</b> End of federal Medicaid/ CHIP funds for certain non-citizens</p> <p><b>Dec:</b> Draft cost-sharing SPA for submission to CMS</p>	<p><b>Jan 1:</b> Limit retroactive coverage; conduct quarterly eligibility checks against Death Master file; standardize process to update address information</p> <p><b>Sept 30:</b> 6-month redeterminations begin</p>
<b>System Requirements</b>	<p><b>Nov:</b> IT system prioritization; start ONE system development for non-citizen changes, retroactive coverage, redeterminations</p>	<p><b>Jan:</b> IT system development for all eligibility changes</p> <p><b>Jan:</b> Develop Change Requests for ONE and MMIS begins</p>	<p><b>July/Sept:</b> Redeterminations IT system changes implemented update to member renewal dates and increase in eligibility evaluations; MMIS and ONE implications</p>
<b>Policy and Operations</b>	<p><b>Dec:</b> Draft and amend OARs for non-citizen changes, retroactive coverage,</p> <p><b>Dec:</b> Internal staff trainings for retroactive coverage</p>		<p><b>June:</b> Determine cost-sharing policy</p> <p><b>July:</b> Internal staff trainings for 6-mth redeterminations</p>

# Eligibility Changes: *Considerations*

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- Most eligibility changes will have little state flexibility/state discretion
  - **Policies with little flexibility:** End federal Medicaid/CHIP funds for certain non-citizen, retroactive coverage reduced from 90 days to 60 or 30 days, submission of enrollee data monthly, verify death eligibility quarterly, home equity limits
  - **Policies with state discretion:**
    - Eligibility redeterminations conducted every 6 months (Oct 1, 2027)- 1115 waiver end period allows state to determine process and timeline for new enrollment periods
    - Copayments for certain members (Oct 1, 2028)- Which services are subject to work requirements, amount and limits of copayments
- CMS rules and waiver sunseting policies may place additional constraints on state flexibility
  - Continuous eligibility transition 1115 conversations have begun and will continue over the next year
  - CMS rulemaking on eligibility expected in 2026 and copayments expected in 2027
- **Known cost requirements:** IT systems needs and additional strain on eligibility workers, significantly increasing eligibility worker workload

# Rural Health Transformation Fund: *Overview*

RHTF is a non-recurring five-year program overseen by CMS.



- Oregon could receive **\$100 million+** annually for five years, starting in 2026.

- A notice of funding opportunity is expected **mid-September**, awards by **December 31, 2025**.

- To qualify, states must submit a **Rural Health Transformation Plan**.

- OHA released a solicitation for public input in **August 2025** to gather input on project ideas and community areas of need.

**Program design decisions** needed to submit application by **November 2025**

# Rural Health Transformation Fund: *Timeline*

	2025	2026	2027
<b>State Session</b>	<b>Oct:</b> OHA submits 10-day notification of intent to apply	<b>Jan:</b> OHA seeks retroactive legislative approval for grant application	
<b>Federal Interactions</b>	<b>Sept 15:</b> CMS releases Notice of Funding Opportunity <b>Nov 5:</b> Submit application to CMS <b>Dec 31:</b> CMS makes award decisions	Meet CMS cooperative agreement requirements (e.g., progress check-ins, annual reports) throughout five-year period of award (FFY 26 – 30)	
<b>System Requirements</b>	<b>By Dec:</b> Determine process for grant distribution	Develop processes and systems to conduct ongoing data collection to meet CMS reporting requirement (FFY 26 – 30)	
<b>Policy and Operations</b>	<b>Aug/Sept:</b> Solicit public comment <b>Sept:</b> Decide program design <b>Oct:</b> Release plan for public comment and write application	<b>Q1:</b> Year 1 project solicitation and award distribution <b>Q3:</b> Year 2 project solicitation <b>Q4:</b> Grants awarded and distributed	<b>Q3:</b> Year 3 project solicitation <b>Q4:</b> Grants awarded and distributed <i>Continued in 2028, 2029, 2030</i>

# Rural Health Transformation Fund: *Considerations*

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- Total award amount above \$100M annually depends on CMS's evaluation of the state's application and other data, as described in the Notice of Funding Opportunity.
- CMS is encouraging states to make policy commitments, including pursuing future legislative changes.
- Intend to establish a Tribal set-aside if Tribes request, and if it is permissible within the constraints of the funding opportunity, including tribal consultation process.

# Marketplace Changes: Overview



## 2026

- Removal of advanced premium tax credit repayment caps
- Non-citizens under 5-year bar no longer eligible to receive premium tax credits<sup>+</sup>
- Failure to reconcile allowance reduced from 2 years to 1 year only for 2026 open enrollment period<sup>\*!</sup>
- Pre-enrollment income verification standards and special enrollment period verification standards more stringent for 2026 open enrollment period<sup>!</sup>
- Changes to actuarial value to permit less generous plans<sup>\*\*!</sup>
- Gender affirming care not allowed as an Essential Health Benefit<sup>+</sup>

## 2027

- Refugees and asylees no longer eligible to receive premium tax credits<sup>+</sup>
- Shortened open enrollment period starting with the 2027 open enrollment period<sup>\*</sup>

## 2028

- Ending automatic re-enrollment starting in the 2028 open enrollment period

<sup>\*</sup> In HHS Marketplace Program Integrity and Affordability Rule      <sup>+</sup> Consumers will see effects during open enrollment the year before  
<sup>!</sup> Included in a federal order of stay (City of Columbus v. Kennedy) issued on 08/22/25. Operative date pending final ruling.

# Marketplace Changes: *Considerations*

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- The Enhanced Premium Tax Credits are scheduled to sunset December 2025, causing net premium increases for nearly all Marketplace enrollees starting in January. Increases for 200 - 400% FPL are estimated to range from \$90 - \$165 per month.
- The SBM features are within scope of the SBM platform vendor's responsibilities and is currently not an additional cost.
- The law does not address the Basic Health Program (OHP Bridge). We expect CMS will provide guidance in the annual Notice of Benefit and Payment Parameters.
- Enrollment attrition throughout the plan year is normal but we anticipate more severe attrition in 2026 onwards with the addition of new federal guidelines that could render private coverage unaffordable.



# Rural and Urban Impacts: Marketplace Enrollees

## Rural

60-year-old and spouse (64)

The Dalles

**\$95,175 per year**

Premiums with Enhanced  
Premium Tax Credits (PTCs)

**\$8,090 per month**

Premiums without  
Enhanced PTCs

**\$33,528 per month**

Couple will pay **\$25,438** more per  
year in premiums without  
Enhanced PTCs on most plans.

## Urban

60-year-old and spouse (64)

Lake Oswego

**\$95,175 per year**

Premiums with Enhanced  
Premium Tax Credits (PTCs)

**\$674 per month**

Premiums without  
Enhanced PTCs

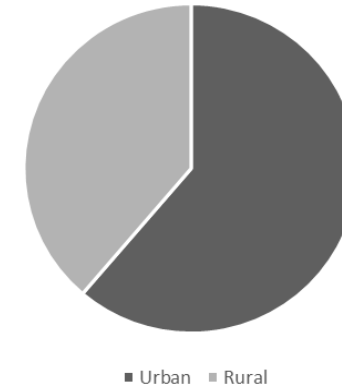
**\$2,282 per month**

Couple will pay **\$19,296** more per  
year in premiums without  
Enhanced PTCs on most plans.

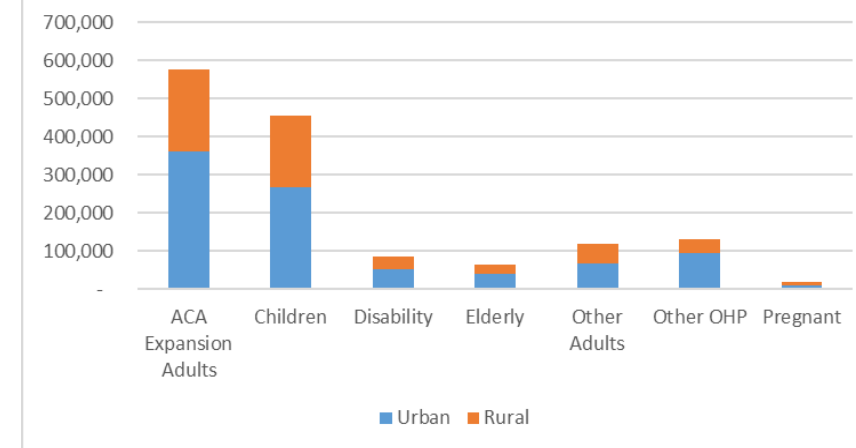
# Rural and Urban: Medicaid

- It's possible that up to nearly 40% of expansion adults that could be subject to work requirements reside in rural areas.
- OHA has an HR1 Communications and Engagement workstream that is embedded in policy discussions, and talking to members and partners to develop a rural communications strategy.

OHP Member Designations



OHP Member Data



# Working Together through Recurring Partner and Member Engagement

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- ODHS | OHA Forward Together Federal Response webinar
  - ❑ Next webinar: September 30
- Medicaid Advisory Committee (MAC)
  - ❑ Recent meeting: September 17
  - ❑ Next meeting: October 29
- Beneficiary Advisory Committee (BAC)
  - ❑ Recent meeting: September 5
  - ❑ Next meeting: October 22

**Purpose:** Share information, answer questions, understand partner needs

# Intentional Partner and Member Engagement

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- Initial focus (Sept-Nov) on work requirements, Rural Health Transformation and six-month redeterminations
  - ❑ Direct outreach to impacted partners (Community Partners, Marketplace partners, partners providing eligibility navigation, etc.)
  - ❑ Public comment on Rural Health Transformation framework

## Purpose

- Shared understanding and input on systems changes and impacts
- Input on and refinement of Rural Health Transformation framework

# Communications

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- Ensure OHP members, partners, the public and media have timely, relevant information throughout the rollout of HR1 mandates.
- Identify the key dates, details and deadlines that need to be communicated and in what timeframe.
- Deliver communications in accessible formats, with plain language and language-appropriate messaging to OHP members and partners.
- Guide people to foundational resources and information, like OHA's federal response [web page](#).



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# Questions