



OREGON
HEALTH
AUTHORITY

September 30, 2025

Federal Impacts to Medicaid, Marketplace, and Rural Health

House Committee on Health Care

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Agenda

- 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
- 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

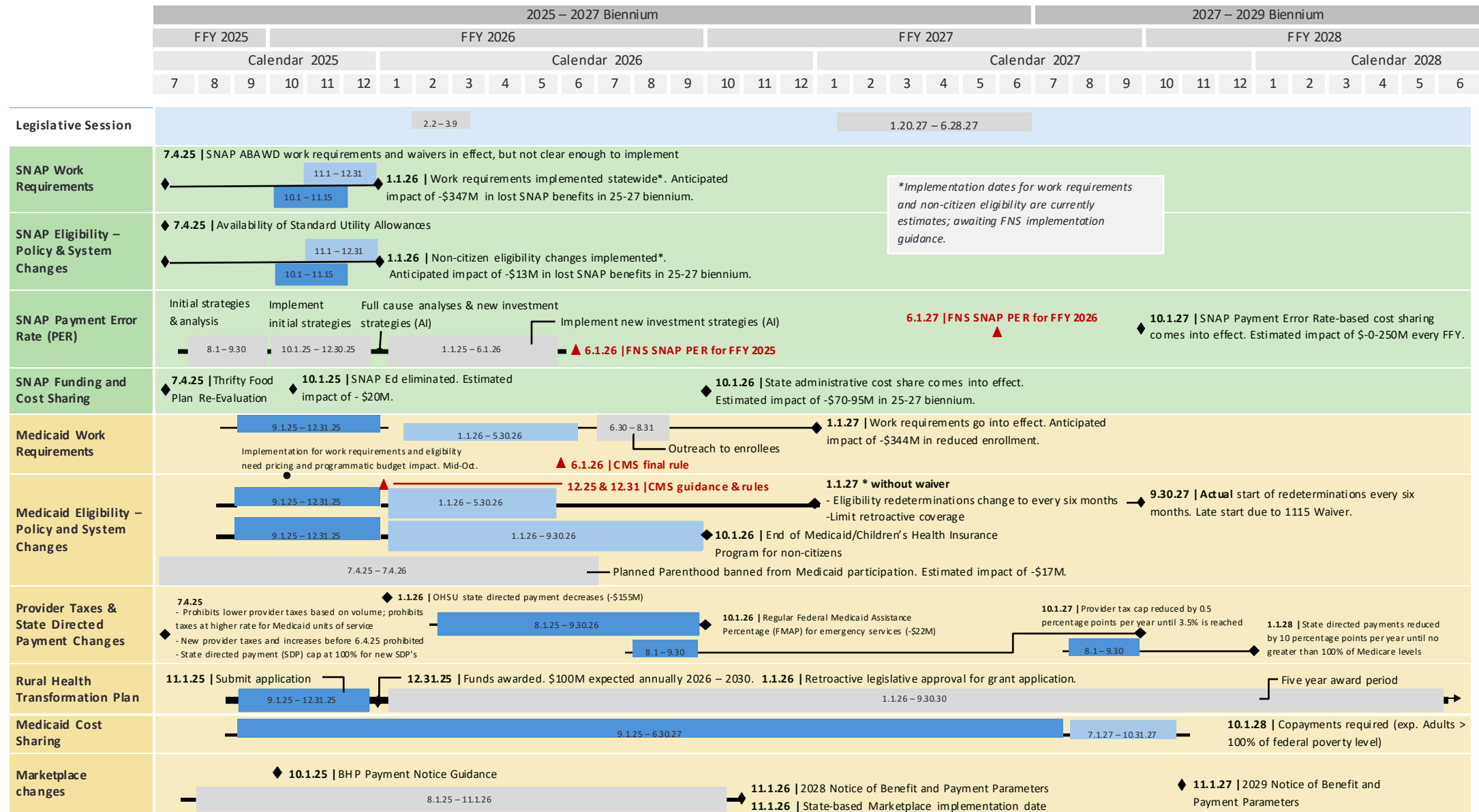
- Home equity limit allowable for long-term care seekers
- State directed payments reduce by 10 percentage points per year until no greater than 100% of Medicare levels

July 1

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

October 1

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



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

Work Requirements: *Considerations*

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

Eligibility Changes: *Considerations*

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

Rural Health Transformation Fund: *Considerations*

- 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⁺
- Failure to reconcile allowance reduced from 2 years to 1 year only for 2026 open enrollment period^{*!}
- Pre-enrollment income verification standards and special enrollment period verification standards more stringent for 2026 open enrollment period^{*!}
- Changes to actuarial value to permit less generous plans^{**!}
- Gender affirming care not allowed as an Essential Health Benefit⁺

2027

- Refugees and asylees no longer eligible to receive premium tax credits⁺
- Shortened open enrollment period starting with the 2027 open enrollment period^{*}

2028

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

* In HHS Marketplace Program Integrity and Affordability Rule

⁺ Consumers will see effects during open enrollment the year before

[!] 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*

- 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)

\$674 per month

Premiums without
Enhanced PTCs

\$2,794 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

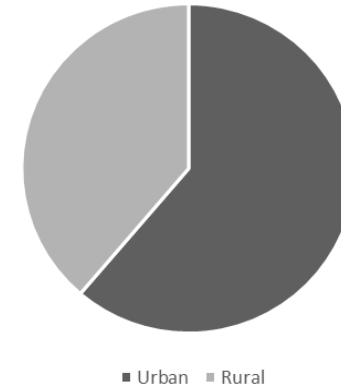
\$2,282 per month

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

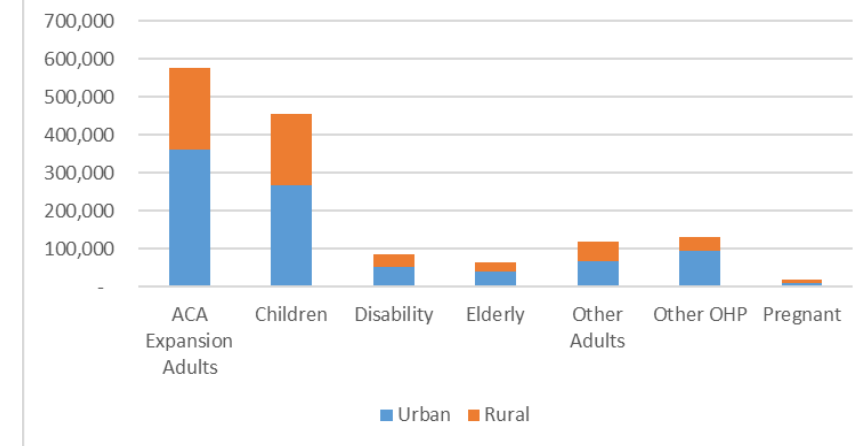
Rural and Urban: Medicaid

- 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

- 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

- 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

- 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