

H.R. 1 Updates



OREGON
HEALTH
AUTHORITY

11/18/25

House Interim Committee on Health Care

Clare Pierce-Wrobel, MHPA – Health Policy & Analytics Director



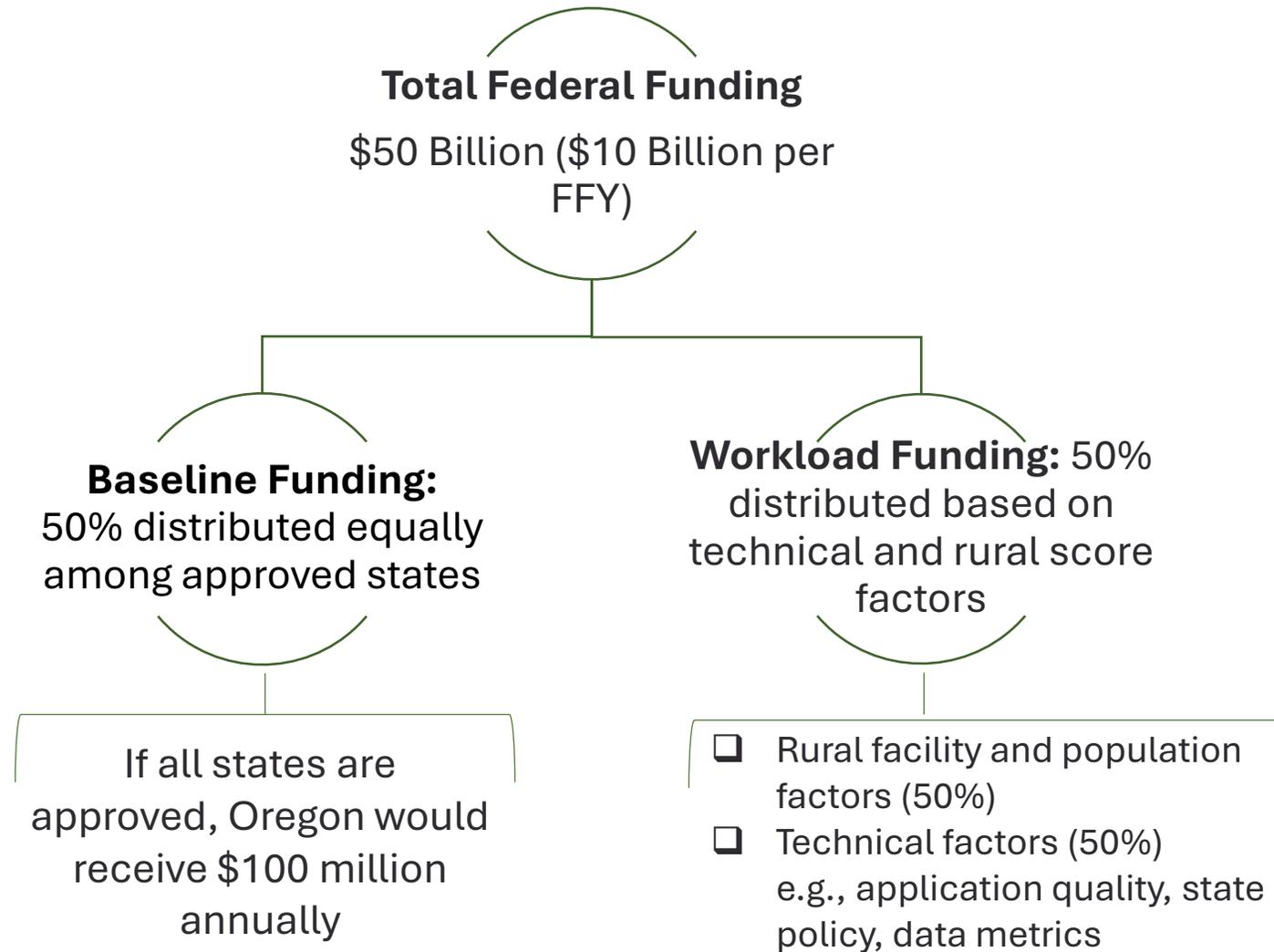
OREGON
HEALTH
AUTHORITY

Rural Health Transformation Program

Background

- H.R. 1, the Trump Administration's federal budget reconciliation bill, was signed into law on July 4, 2025, introducing an estimated \$15 billion in cuts to federal funding from Oregon for health insurance coverage, food benefits, and other programs.
- H.R. 1 establishes a one-time, five-year Rural Health Transformation Program (RHT Program or RHTP), which makes funding available to states for health-related activities supporting rural communities and rural health system transformation.
- The Centers for Medicare & Medicaid Services (CMS) is charged with administering the program as a cooperative agreement.
 - CMS released its Notice of Funding Opportunity (NOFO) on September 15, 2025.
- **Federal funding through RHTP is not intended to offset H.R. 1 Medicaid cuts.**

Funding Framework





OREGON
HEALTH
AUTHORITY

Public Engagement

Public Engagement History

- Initial public comment period ran from 8/20 to 9/12
 - 240 responses were collected.
 - Results informed OHA's scoping of the proposed initiatives and related activities.
- October's public survey was open from 10/8 to 10/15, following two public forums.
 - 180 responses were collected.
 - Results validated the direction of the State's proposed initiatives and informed the budget plan.



OREGON
HEALTH
AUTHORITY

Oregon's Transformation Plan Framework and Initiatives

Oregon's Initiatives and CMS Strategic Goals

Initiative	Summary	Main Strategic Goal
Regional Partnerships & System Transformation	Focus on building rural regional networks and shared services to accelerate long-term sustainable strategies	Sustainable Access, Innovative Care
Healthy Communities & Prevention	Focus on scaling successful delivery models and creating new health access points to rural counties	Make Rural America Healthy Again, Tech Innovation
Workforce Capacity & Resilience	Focus on developing a broad workforce from training to professional development programs	Workforce Development, Make Rural America Healthy Again, Tech Innovation
Technology & Data Modernization	Focus on expanding and connecting rural health systems to needed technologies and data infrastructure	Tech Innovation, Sustainable Access
Tribal	Focus on supporting the Tribes with improving health access and outcomes	Make Rural America Healthy Again, Workforce Development, Sustainable Access, and Tech Innovation

Note: RHT Funds will target rural and frontier hospitals, health clinics, community health centers, and community-based organizations providing health care services in rural and frontier areas statewide. Rural is defined as any geographic areas in Oregon ten or more miles from the centroid of a population center of 40,000 people or more. Frontier (or “remote”) is any county with six or fewer people per square mile.

Initiatives and Uses of Funds Crosswalk

	Regional Partnerships & Systems Coordination	Healthy Communities & Prevention	Workforce Capacity & Resilience	Technology & Data Modernization	Tribal Initiative/ Set-aside
Prevention & chronic disease management	●	●			●
Provider payments (with restrictions)	●	●			●
Consumer tech solutions		●			●
Training & technical assistance on tech solutions				●	
Workforce recruitment & retention			●		
IT advances & cybersecurity	●			●	
Right-sizing care availability	●	●	●	●	●
Behavioral health & substance use disorder services	●		●		
Innovative care/value-based models	●				
Capital expenditures (≤20%)		●			●
Partnership-building	●	●	●	●	●

Monitoring, Reporting, and Oversight

Outcome Metrics/Milestones	<ul style="list-style-type: none">• ≥ 4 outcomes with metrics & FFY milestones per initiative
Reporting	<ul style="list-style-type: none">• Quarterly and annual reports to CMS
Redetermination of Funding	<ul style="list-style-type: none">• CMS uses reports to evaluate compliance and determine funding for subsequent budget period
State Program Oversight	<ul style="list-style-type: none">• Emphasize strong oversight, data collection, and technical assistance

Advisory Body

- The [Rural Health Coordinating Council](#) (RHCC), an 18-voting member council [statutorily](#) required to advise the Office of Rural Health
 - Consists of healthcare provider organizations, rural consumers, and healthcare leaders.
 - Act as an accountability board; and
 - Advise on matters related to aligning RHT Program activities with the needs of rural and remote communities.



OREGON
HEALTH
AUTHORITY

Distribution Plan and Timeline

Phase 1 (FY26 – FY27)

Initial phase will focus on three pathways for fund distribution:

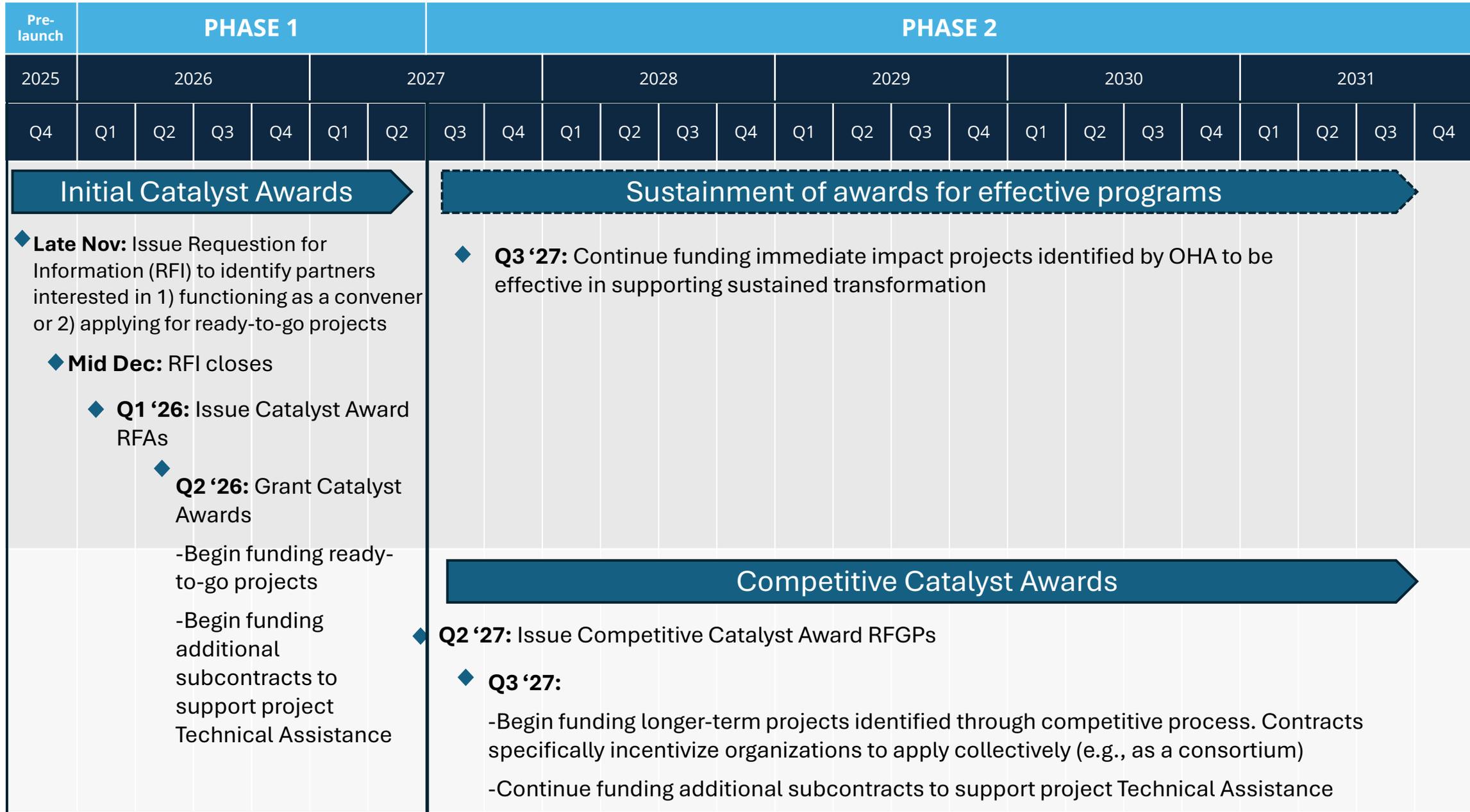
- 1. Catalyst Awards:** Through a Request for Application (RFA) process, applicants will be expected to apply across initiatives for ready-to-go projects that can be implemented within the first two years of the RHT Program.
- 2. Immediate Impact:** Direct awards for a select set of aligned opportunities identified by the state, such as team-based care PMPMs and funding new residency programs.
- 2. Regional Sustainability:** Award a subcontractor(s) to provide facilitation and technical assistance to entities developing rural health networks and regional solutions. Strategic investments will be made to independent rural hospitals and critical access hospitals to stabilize essential services and build readiness for Phase 2.

Phase 2 (FY28 – FY30)

Phase 2 will mirror the initial phase but focus on incentivizing true transformation with increased expectations related to regional alignment and sustainability.

- 1. Competitive Catalyst awards:** Through a competitive Request for Grant Proposal (RFGP), organizations will be incentivized to apply collectively (e.g., as a consortium, part of a formal agreement, a CIN) or demonstrate significant alignment with regional priorities and needs.
- 2. Sustained awards:** Fund some Phase 1 projects that have demonstrated significant success and valuable impact but require additional years of investment to ensure completion.

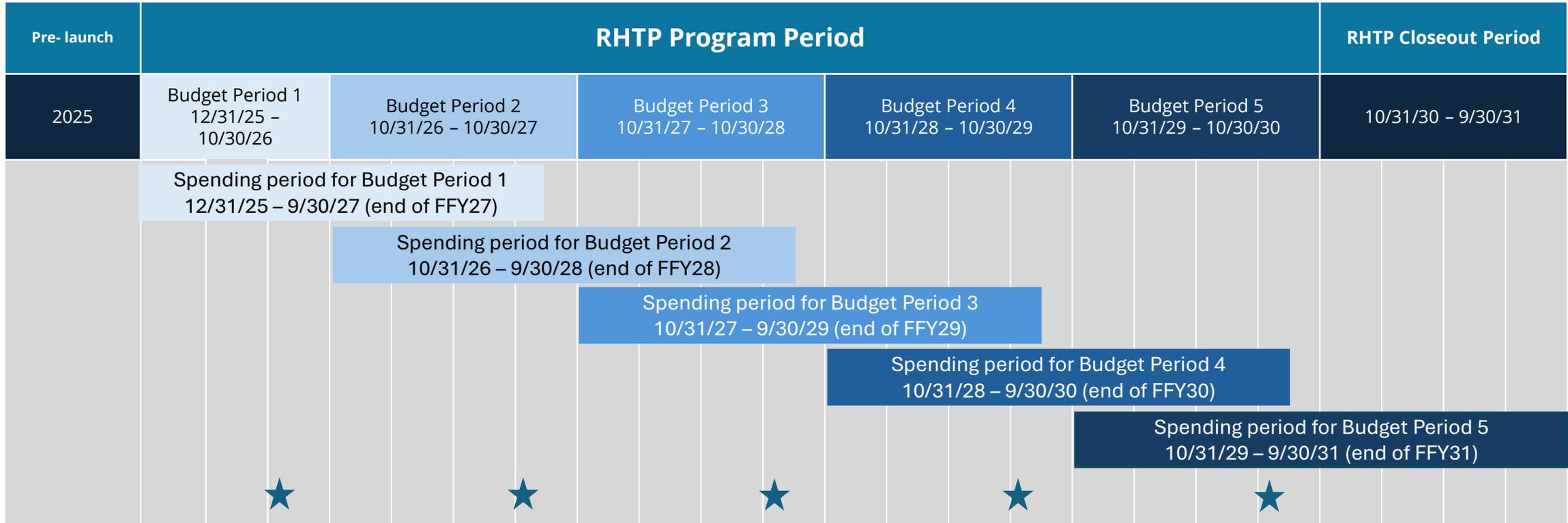
RHT Program Distribution Timeline



RFAs to fund *immediate-impact* projects...

RFPs to fund *longer-term* projects...

RHT Program Spending Timeline



★ Metric milestone/target reporting

Explanation: Funds cannot be carried over from one budget period to another. Subcontractors and subgrantees will have through the following Federal Fiscal Year (FFY) to spend funds awarded for each budget period. Subcontractors and subgrantees can only pay for expenses that have been approved for the budget period. No new activities for the second year can be proposed once the budget period ends, but the subcontractors and subgrantees can still access the funds in the FFY following the budget period to pay for activities approved for that budget period.

Sample Scenario: A state is awarded funding for the budget period of 12/31/25 – 10/30/26 to implement an initiative that will take 18 months to complete. In this scenario, the state would have access to the funding after Budget Period 1 ends to pay the contractor for those services until the end of the next FFY (9/30/27). That means if the contractor did work from January to June 2027, and that work was an approved activity for Budget Period 1, the state could pay for those costs incurred in January – June 2027 from Budget Period 1 funds.

Proposed Funding by Initiative

Initiatives	BY1	BY2	BY3	BY4	BY5
1. Regional Partnerships	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$55,000,000
2. Healthy Communities	\$75,000,000	\$75,000,000	\$55,000,000	\$50,000,000	\$50,000,000
3. Workforce	\$37,600,000	\$30,000,000	\$45,000,000	\$35,000,000	\$35,000,000
4. Tech/Data	\$7,400,000	\$15,000,000	\$20,000,000	\$35,000,000	\$20,000,000
5. Tribal	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000

Proposed Funding by Pathways

Funding Pathways	Proportion	*Amount budgeted per year under \$200 million budget
1. Phase 1 Catalyst Awards	~40%	~\$80 million
2. Immediate Impact Direct Awards	~20%	~\$40 million
3. Regional Sustainability	~20%	~\$40 million
4. Tribal Set-Aside	10%	~\$20 million
<i>Administrative Costs, distributed across</i>	<10%	<\$20 million

[Note: Application does not require details of how funds would be divided between the Tribes]

Note on Admin: OHA personnel staffing estimates for the full pricing are ~\$5.5M, with \$14.5M being distributed across subcontractors, and 10% of total admin reserved for the Tribal Initiative



OREGON
HEALTH
AUTHORITY

OHP Bridge and HR1

What's OHP Bridge?

- OHP Bridge is benefit launched in 2024 for adults with higher incomes.
- People who get OHP Bridge must:
 - Have annual income between 133-200 percent of the federal poverty level (FPL),
 - Be 19 to 64 years old,
 - Not have access to other affordable health insurance, and
 - Have an eligible citizenship or immigration status to qualify.
- OHP Bridge is almost the same as OHP Plus.
- OHP Bridge is free coverage with no member costs like copays or deductibles.

Impacts to OHP Bridge - BHP

- **HR 1 does not explicitly extend Medicaid or Marketplace provisions to state Basic Health Programs.**
 - Unclear whether CMS has authority or intends to extend via regulation.
 - Oregon's use of Medicaid infrastructure may also lead to BHP impact.
- HR 1 required Marketplace changes affecting BHP funding
 - Eliminating tax credit eligibility for some non-citizens will also lead to lost BHP funds in 2027.
- HR 1 did not extend enhanced Marketplace tax credits; expiration reduces BHP funding.
 - *Note: 2026 revenue still anticipated to outweigh program costs.*

Marketplace provisions that may affect OHP Bridge

- HR 1 eliminates premium tax credit (PTC) eligibility for certain non-citizens which also affects their eligibility for federal OHP Bridge funding. The bill:
 - Removes PTC eligibility for otherwise eligible non-citizens <100% FPL who are ineligible for Medicaid due to their citizenship status. *(effective 1/1/2026, but no anticipated impact in Oregon due to Healthier Oregon)*
 - Removes PTC eligibility for certain groups of non-citizens defined previously through the “eligible alien” clause. *(effective 1/1/2027)*



OREGON
HEALTH
AUTHORITY

Update on Enhanced Premium Tax Credits

Non-Extension of Enhanced Premium Tax Credits



Since 2021, eligibility for premium tax credits (PTCs) were expanded, called “Enhanced Premium Tax Credits”.

Enhanced PTCs expire at the end of 2025, unless Congress acts to extend them, which would impact **more than 111,000 Marketplace enrollees in Oregon.**



Impacts of Non-Extension of EPTCs

Starting in 2026, Marketplace coverage will become more expensive for most people.

- Thousands of Marketplace enrollees in Oregon could pay an **average of \$127 - \$456 more per month**, depending on their income level.
- **Older enrollees and enrollees in rural Oregon** may see larger increases to their monthly net premium.



Casey (32) from
Portland (225% FPL)
will pay

\$1,592

more per year in
premiums without
Enhanced PTCs on
most plans.



Mateo (41) from
Springfield (300%
FPL) will pay

\$2,091

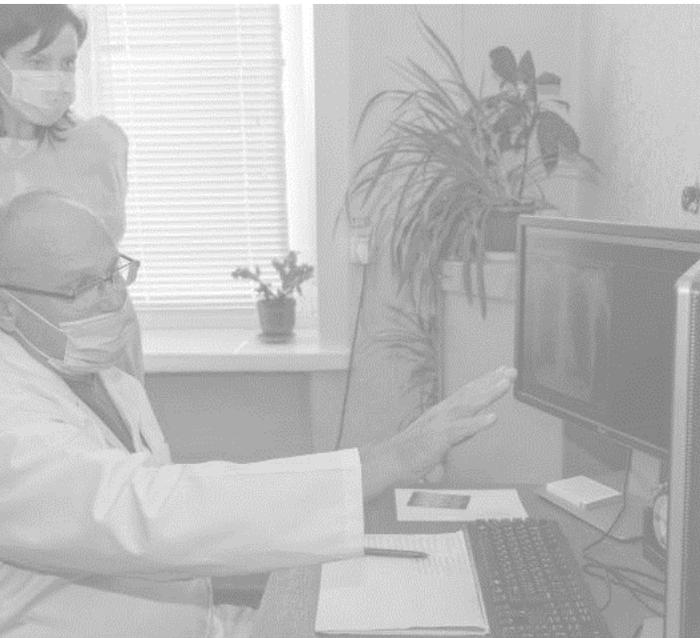
more per year in
premiums without
Enhanced PTCs on
most plans.



Shae (60 years old) and her
spouse (64 years old) from
Hermiston (450% FPL) will
pay

\$25,438

more per year in premiums
without Enhanced PTCs on
most plans.



OREGON
HEALTH
AUTHORITY

Thank You