U.S. House Resolution 1: Impacts, State Preparation and Resource Needs

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Agenda

1. H.R.1: Background and approach

2. 2025-27 agency request

3. H.R.1 implementation picture
   - ODHS Oregon Eligibility Partnership
   - OHA

4. 2025-27 implementation costs summary

5. Q+A

H.R.1 overview

Federal budget reconciliation act signed into law July 4, 2025

Dramatically reduces federal spending on both the Supplemental Nutrition Assistance Program (SNAP) and Medicaid, **shifting more of the costs to states**

Introduces **major shifts in policy and operations** for both programs:

- More complex eligibility rules
- More frequent eligibility verifications
- More intensive case management

What it means for Oregonians

Hunger will increase as people lose SNAP and households see reduced in food benefits.

Residents of remote/rural counties and adults ages 55 to 64 will be limited to 3 SNAP months in 3 years if they must meet work requirements and don't.

Less SNAP revenue for grocers, farmers and food workers; greater demand on food banks and pantries.

New eligibility, reporting and oversight requirements make it **more complicated for Oregon Health Plan members** to access and maintain coverage.

Fewer people insured in the state and fewer payments, resulting in **less access to care, longer wait times and closures** of hospitals and clinics.

89% of people receiving SNAP are also enrolled in Medicaid.

H.R.1 implementation in Oregon: Governor's intent

- **Preserving people's access to benefits** to the greatest extent possible under the new federal law
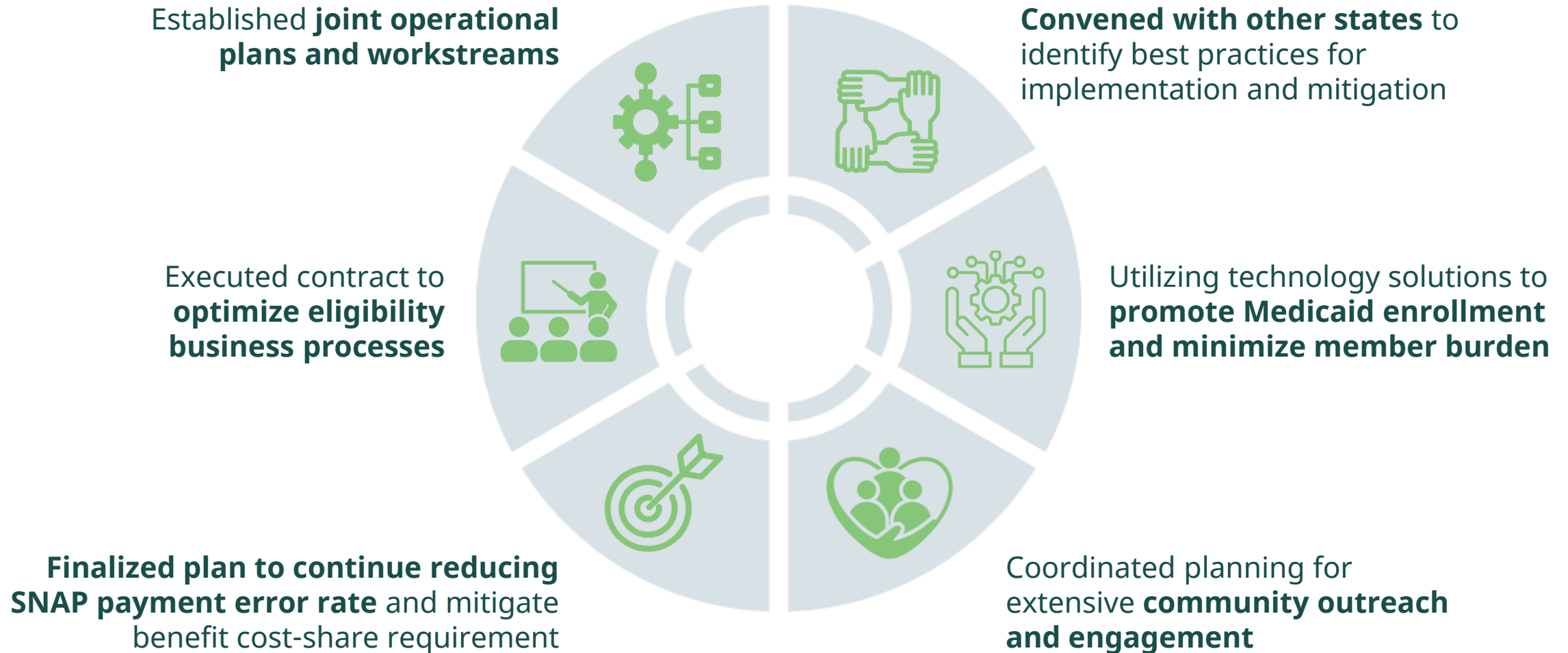
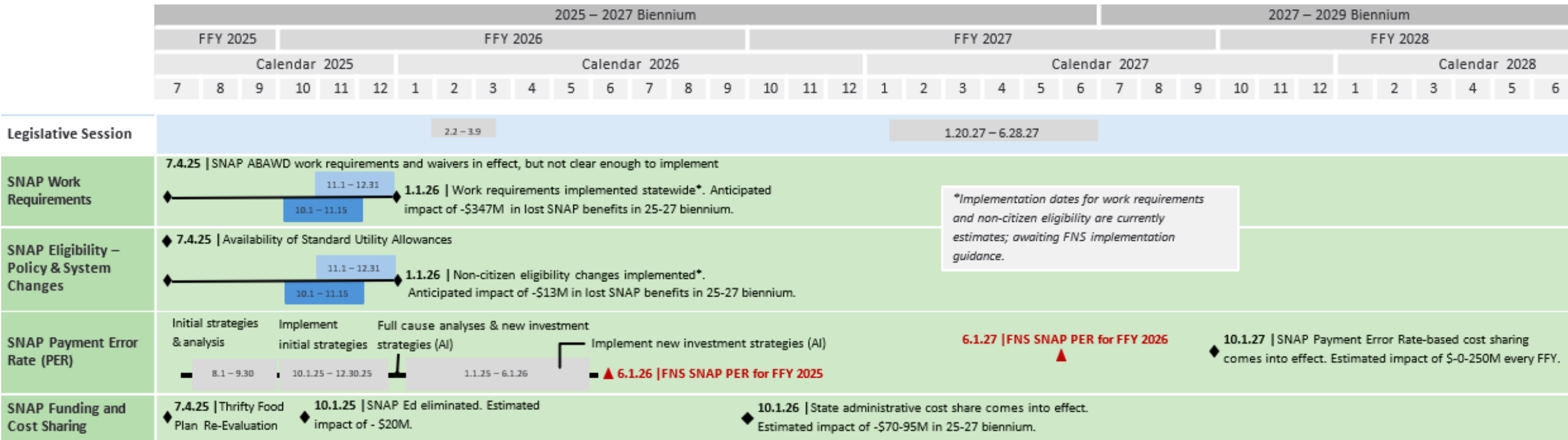- **Managing costs responsibly,** including by leveraging technology to reduce workload and customer burden

- **Simplifying processes and ensuring compliance** with federal rules

Cross-agency preparation

Established **joint operational plans and workstreams**

Convened with other states to identify best practices for implementation and mitigation

Executed contract to **optimize eligibility business processes**

Utilizing technology solutions to **promote Medicaid enrollment and minimize member burden**

Finalized plan to continue reducing SNAP payment error rate and mitigate benefit cost-share requirement

Coordinated planning for extensive **community outreach and engagement**

H.R.1 implementation timeline: SNAP

H.R.1 implementation timeline: Medicaid
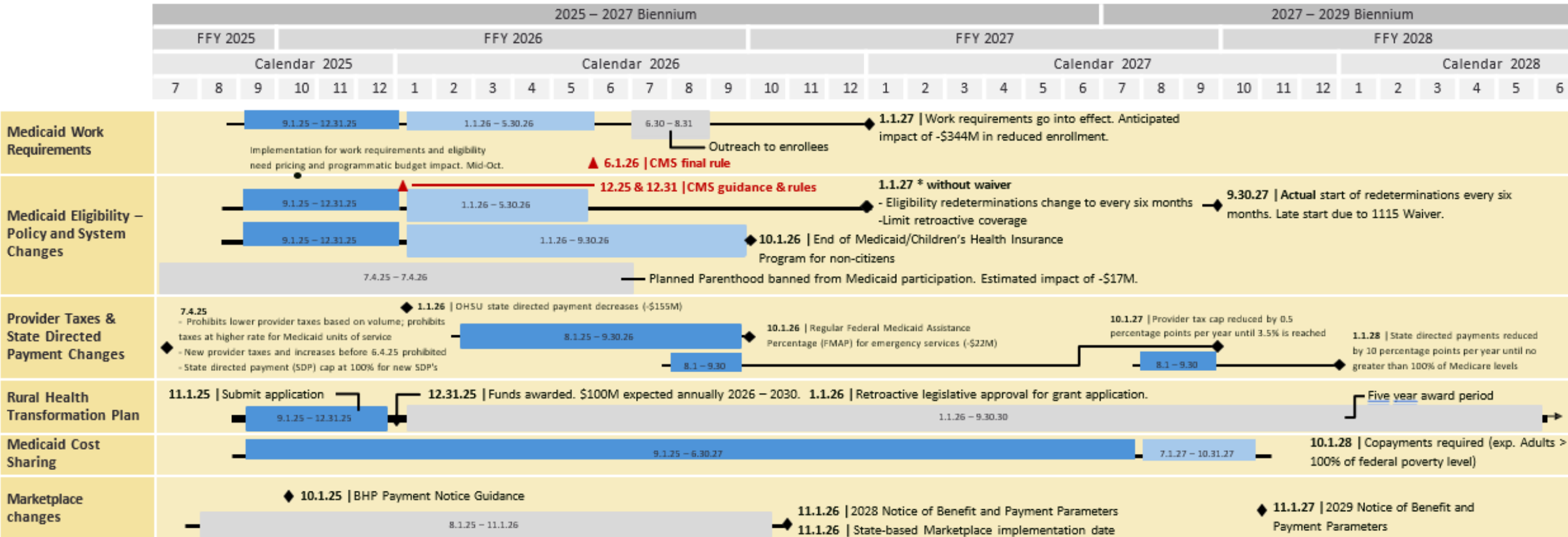
ODHS Oregon Eligibility Partnership

H.R.1 implementation picture

Administrative needs: SNAP

H.R.1 CHANGES

Increased administrative cost share	Benefit cost sharing tied to error rate	Expanded population now subject to work requirements	EBT card security
Goes from 50% to **75% beginning October 2026.** General Fund investment necessary to **maintain essential operations** including: • Eligibility processing • Call centers • Employment and training services • Vendor contracts	States with SNAP payment error rates (PER) of 6% or higher must **pay a share of the SNAP benefit beginning October 2027.** Oregon must implement its **comprehensive PER reduction plan** now to avoid this costly liability.	The SNAP cases of an estimated **310,000 adults will need to be reviewed** to ensure they are meeting Able-Bodied Adults Without Dependents (ABAWD) work rules or qualify for an exemption.	To address continued rise in Electronic Benefit Transfer (EBT) theft, Oregon needs to **transition to EBT card with embedded chips.** ODHS recommends pursuing the needed security improvement **before the H.R.1 state cost share increase goes into effect.**

Administrative needs: Medicaid

H.R.1 CHANGES

Medicaid work/community engagement requirements

- **80 hour/month requirement** for Medicaid enrolled adults ages 19 to 64

- Necessitates development of new system to **track hours, verify exemptions, and process penalties**

- Will require **expanded outreach and coordination** with partners to minimize loss of coverage

Increased redetermination frequency

- Requires **more frequent redeterminations** for certain Medicaid populations, including semiannual reviews.

- Will intensify administrative workload and risk higher disenrollment due to rule complexity rather than loss of eligibility.

- System changes and staffing work will need to begin in the 2025-27 but the majority of costs will happen in 2027-29.

System costs: SNAP

H.R.1 CHANGES

Benefit cost sharing tied to error rate

Enhancements necessary to reduce SNAP payment errors:

- Eligibility system modifications

- Integration of artificial intelligence tools

- Implementation of predictive analytics to identify and target high-risk cases before errors occur

- **Expanded population subject SNAP ABAWD work requirements** requires new logic to track exemptions, time limits, and compliance.

- **New limits on who can exclude energy assistance** from their countable income necessitates changes to eligibility calculations, verification steps, and notice generation.

- **Narrowed eligibility for lawfully present non-citizens** necessitates comprehensive updates to application, verification, and renewal processes.

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System costs: Medicaid

H.R.1 CHANGES

Work requirements for non-expansion group adults	Changes to Medicaid retroactive eligibility	Quarterly deceased-individual verification
• **Must be fully built into ONE by September 2026** to meet the federal implementation deadline of January 1, 2027.	• Requiring **updates to system logic, verification pathways and notices** to comply with new federal limits	• Requiring **new interfaces and data-matching functions** to check eligibility against the Social Security Administration's death master file, supplementing Oregon's existing monthly checks through vital records.

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Example: Medical self-service portal

Which community engagement activities have you performed?

Here's what you told us in your application

Employer: Walmart (Hours Worked: 80)

Are there any other activities you'd like to report?

☐ **Job Training**
Job training includes programs offered by your local American Job Center or similar programs offered by your State or local government.

☐ **Educational Program**
Education programs include institutions of higher education (like a college or university) and career and technical education programs (like a trade school).

☐ **Volunteering**
Volunteering includes performing unpaid work for a non-profit (like a community or religious organization) or government agency (like your local or state government).

Next, we'll use electronic data sources to verify your activities

☐ I consent to the use of electronic verification.

Example: Worker portal

Example: Future state AI SNAP interview
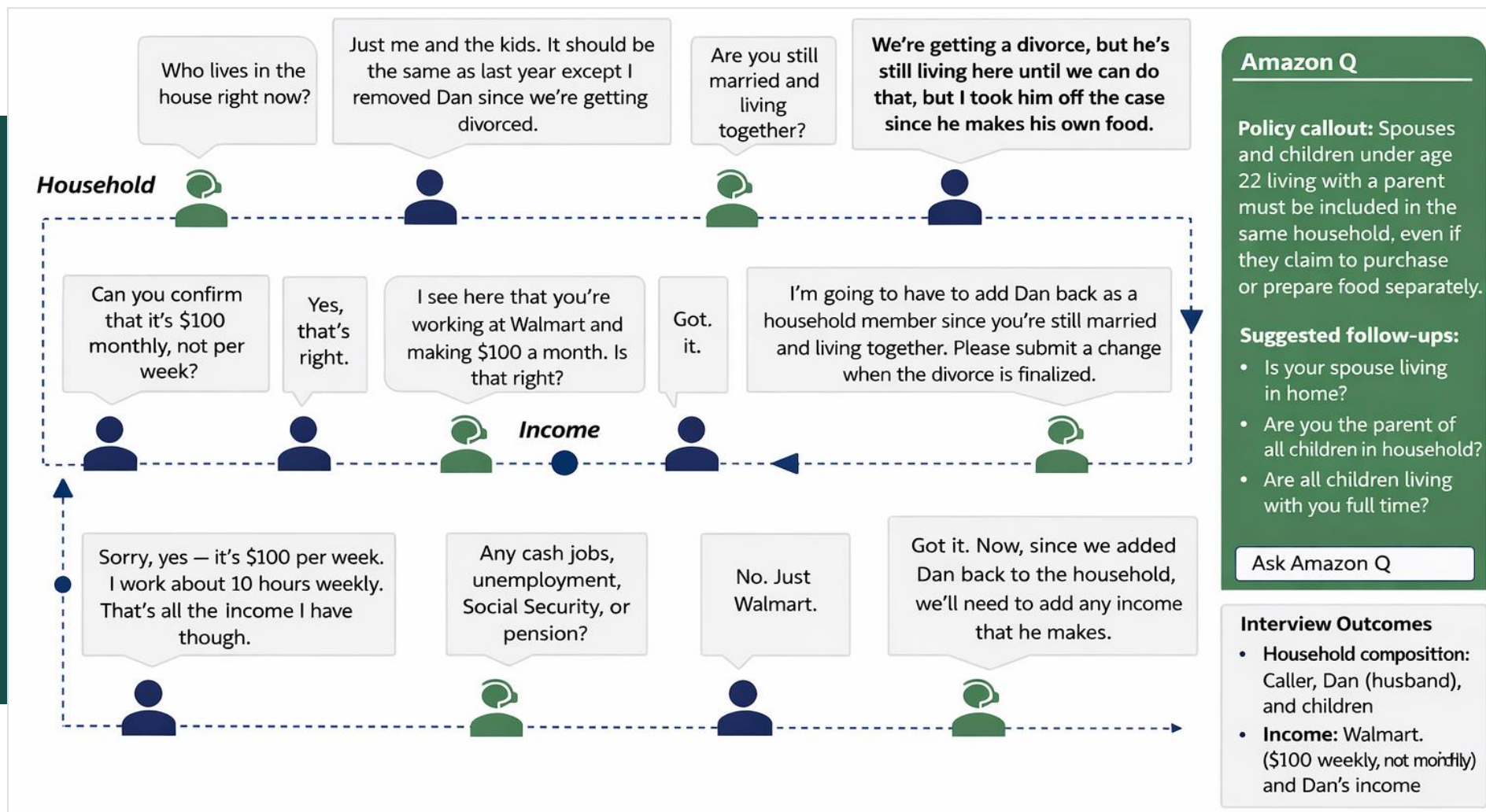
ODHS system costs summary

IT Related Costs	General Fund	Other Funds	Federal Funds	Total Funds
SNAP HR1 ONE system updates	$372,600	-	$372,600	$745,200
SNAP PER ODHS system costs	$13,515,762	-	$2,532,330	$16,048,092
Medicaid Total ONE system	$3,798,780	$3,800,000	$36,387,072	$40,185,852
ODHS Phone Updates	$2,900,000	-	$5,000,000	$7,900,000
EBT Card Security	$6,800,518	-	$5,849,244	$12,649,762
Total ODHS system costs	**$27,387,660**	**$3,800,000**	**$50,141,246**	**$77,528,906**

Note: 2025-27 costs estimates include current biennium one-time costs for new and changed technology; vendor costs; 3 new IT resources; Quality Management – and do NOT include 5-year maintenance and operations; or staff augmentation.

Workload impacts

Annual impact in staff hours:

SNAP/ABAWD population expansion

More than 76,000 hours of total additional staff time
- ~11,162 screening hours
- ~65,299 verification hours (after 22% attrition)

Medicaid work/community engagement requirements

More than 261,000 hours of total additional staff time
- ~38,133 screening hours
- ~223,080 verification hours (after 22% attrition)

Work requirements: What eligibility workers must do

Screening for exemptions
(~2 minutes per case)

SNAP/ABAWD
- ~**310,000** adults with existing SNAP cases
- ~**25,000** newly included adults

Medicaid
- ~**572,000** adults in the Medicaid expansion population

For individuals who are determined non-exempt...

- **Verification reviews**
  - At each application and redetermination
  - Confirming work, training, or other qualifying activities
  - ~15 minutes per case
  - Process now repeats **twice a year** for Medicaid

- **Ongoing case maintenance**
  - ~22% of cases lose eligibility after three months for non-compliance

Key challenge

- **H.R.1 does not align work requirements** across Medicaid and SNAP.

- The agencies are prioritizing back-end solutions to **simplify processes for consumers** to the greatest extent possible.

Caseloads are already high

SNAP Average Monthly Caseload
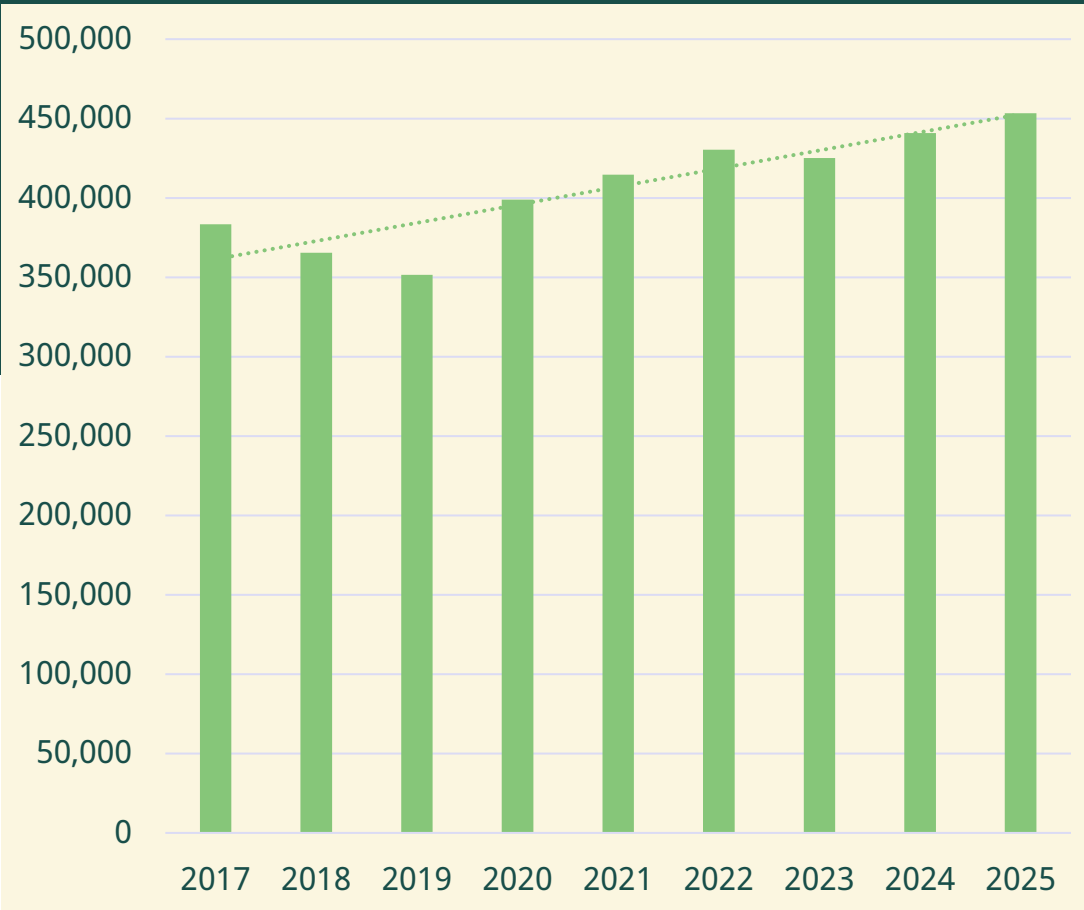
Health Systems Medicaid Average Monthly Caseload
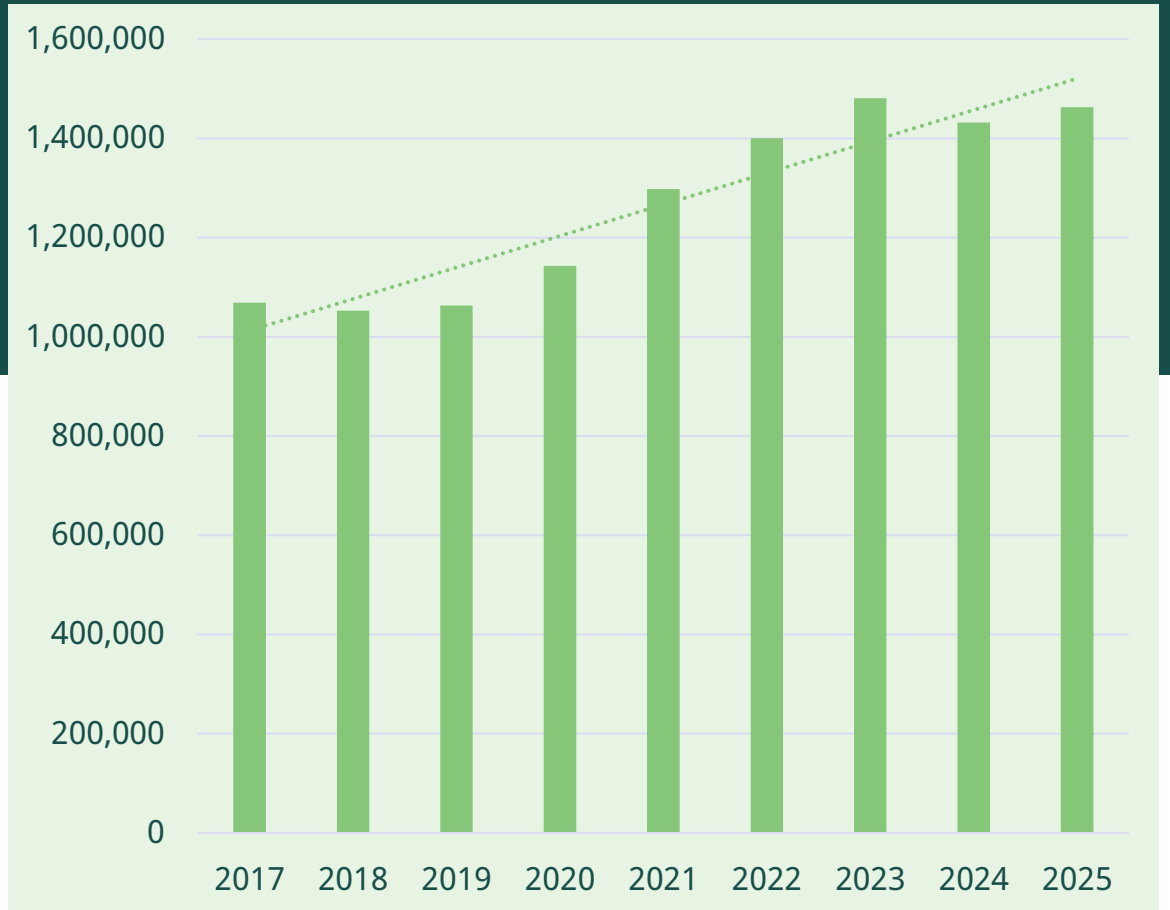
Eligibility staffing levels

Per Oregon Eligibility Partnership (OEP) workload model:

OEP is funded to support 51% of current workload.*

Eligibility workers are funded for **58%** of the work.

Eligibility leads are funded for **33%** of the work

AAA eligibility workers are funded for **78%** of the work
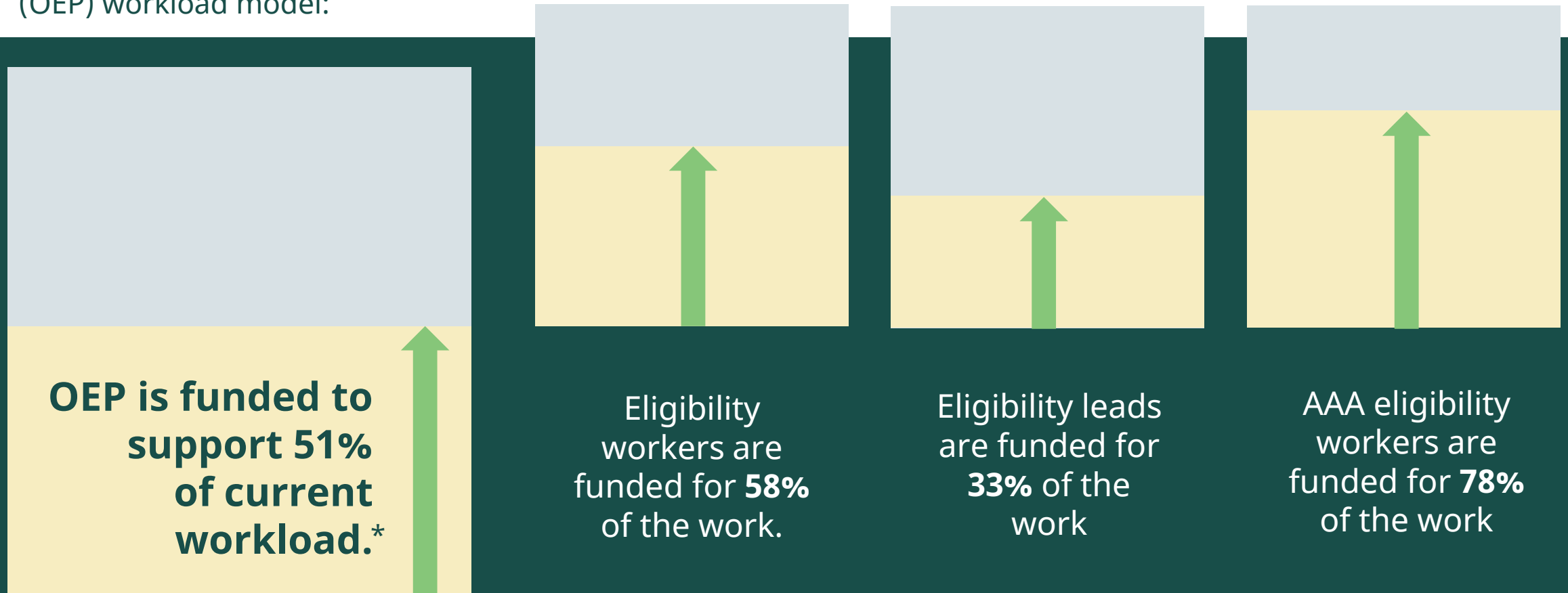
*All percentages presented are as of fall 2025.

AAA eligibility leads are currently not funded.

Hiring plan

Timeline header: Mar 26 | Apr 26 | May 26 | Jun 26 | Jul 26 | Aug 26 | Sep 26 | Oct 26 | Nov 26 | Dec 26 | Jan 27 | Feb 27 | Mar 27

Phase 1: Stand-Up & Infrastructure
- Hire Training Team (29)
- Hire Supervisor 2 (25)
- Hire Central Ops (8)

Phase 2: Major Workforce Expansion
- Cohort 1 (59)
- Train Cohort 1
- Cohort 2 (50)
- Train Cohort 2
- Cohort 3 (50)
- Train Cohort 3
- Cohort 4 (51)
- Train Cohort 4
- Marketplace Open Enrollment

Phase 3: Stabilization & Continuous Onboarding
- Cohort 5 (Compliance)
- Train Cohort 5
- Medicaid Work Requirements

Legend: Phase 1 | Phase 2 | Phase 3 | Hiring | Training | Key Milestone

Keys to success: What our staff tell us they need

New training modules

Phased approach to using new technology solutions

OEP training and onboarding

Existing training framework

- New hires complete the eligibility training series:
  SNAP → TANF → ERDC → MAGI → Non-MAGI.

- Cohorts of 25–30 participants provide manageable group size and strong engagement.

Training timeline and pause (May–June 2026)

- Pause supports transition to redesigned training launching July 2026.

- Staff hired before May 2026 may not complete all modules prior to the pause.

Mitigation strategies

- Prioritize early completion of SNAP and MAGI.

- Schedule cohorts to avoid beginning major modules right before the pause.

- Add supplemental trainers if needed.

- Consider piloting **an On-the-Job Training (OJT)** support model to manage training load.

Key areas of risk

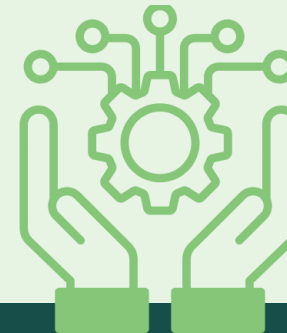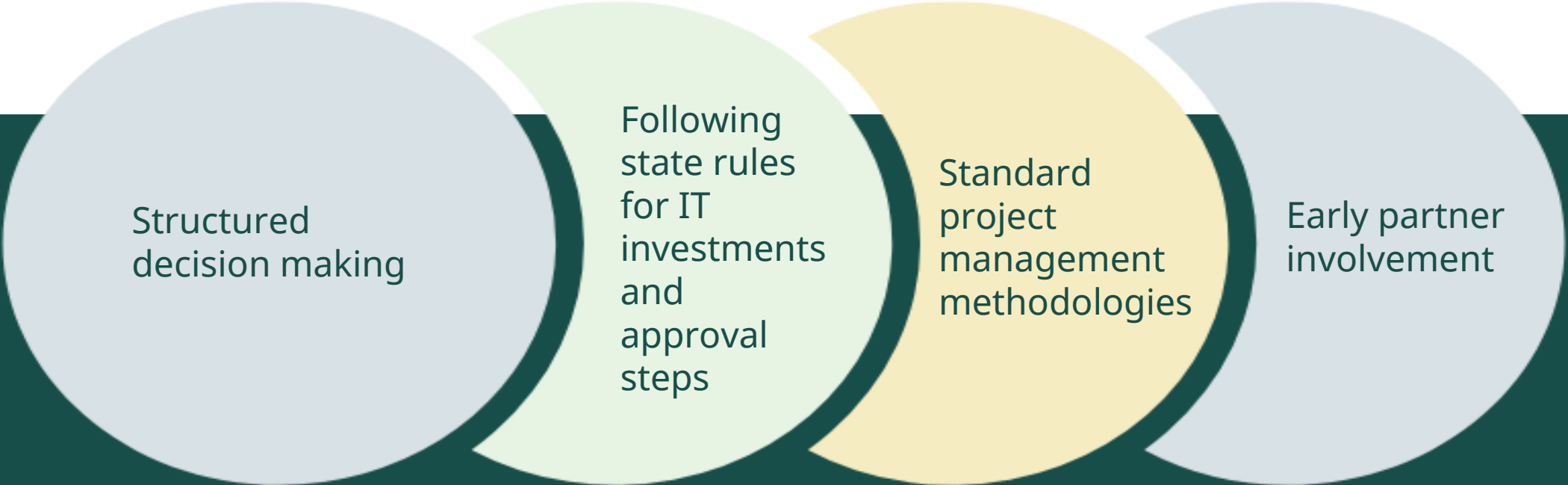| Delays and sudden changes in federal guidance | Challenging time frames for implementation | Error rate and level of future cost share | H.R.1 IT prioritization | "Ripple effect" costs emerging in other parts of the system |

Managing IT risks and timelines

Structured decision making

Following state rules for IT investments and approval steps

Standard project management methodologies

Early partner involvement

Oregon Health Authority

H.R.1 implementation picture

Overview: H.R.1 impact on Medicaid

- More frequent redeterminations and other eligibility changes
- Work requirements
- Citizen-waived emergency medical FMAP change
- Medicaid cost sharing and copayments
- Medicaid financing
- Planned Parenthood Medicaid exclusion
- SNAP Shared Services

- H.R.1 will have dramatic impacts on Oregon's Medicaid program, introducing **major policy and operational shifts**

- Investments will ensure **timely, equitable and compliant implementation**

- Response is designed to **protect coverage, minimize disruption, and uphold Oregon's commitment to health equity.**

FMAP = Federal Medical Assistance Percentage   **SNAP** = Supplemental Nutrition Assistance Program

Redeterminations and other eligibility changes

H.R.1 CHANGES

Eligibility changes for immigrants	Six-month eligibility redeterminations	New limits for Medicaid funding
• People who lose eligibility for full Medicaid will likely transition to the Healthier Oregon program, resulting in **increased costs to the state** • Effective October 1, 2026	• **Six-month eligibility redeterminations** for adults in the Medicaid expansion population • This is a 400% increase in frequency, resulting in significant resource needs • Beginning in 2027	• **New restrictions** on federal Medicaid funding for some immigrant and refugee groups • Some services currently covered with federal Medicaid funding will need to be **covered with state funds**.

Impacts: Changes to ONE eligibility system, ongoing increased workload internally and for OHP-certified partners, additional required member notices, loss of coverage

Work requirements

H.R.1 CHANGES

New work or "community engagement" requirements

- Applicable to adults ages 19 to 64 in the Medicaid expansion group = 462,000 members

- Effective January 1, 2027

Planning, staffing and system development must begin this biennium

Significant outreach to Oregon communities will be required to prevent coverage loss

- Required member notices and communications beginning July 1, 2026

- Mobilizing partners to support person-centered engagement in over sixty languages in communities

- Explaining complex rules in plain language in multiple languages

- Outreach to regional networks to ensure opportunities in communities and understanding of rules and reporting

Impact: Increased administrative barriers will make it more difficult for people to get and keep coverage.

Citizen-Waived Medical Emergency FMAP change

Federal match rate significantly decreases

- Federal match rate for Emergency Medicaid shifts from enhanced 90% FMAP to 57.75% (Oregon's current standard Title XIX FMAP)

- Effective October 1, 2026
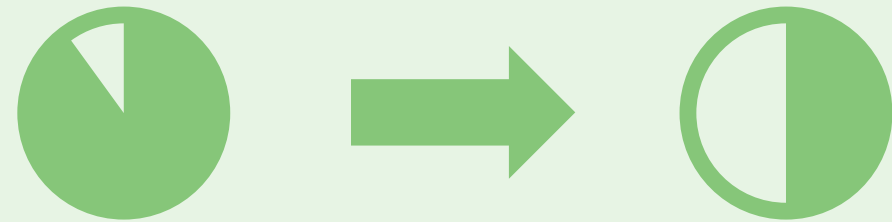
Impacts: Significantly increases the state's share of costs for Emergency Medicaid services, particularly for non-citizen populations who rely on this coverage for life-saving care, labor and delivery, and other required emergency services.

Medicaid cost sharing and copayments

Mandatory Cost Sharing

- Affects most adults in the Medicaid expansion population with incomes at or above 100% of the federal poverty level, with exemptions for American Indian/Alaska Native members and essential services such as primary care, prenatal/pediatric care, emergency services and behavioral health

- Beginning October 1, 2028

Impacts: Copayments can burden members financially and will increase administrative burden for providers and the agency.

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Medicaid financing

Federal changes scale back mechanisms for Medicaid financing

- Oregon must reduce provider assessment rates by 0.5 percentage points annually until reaching a 3.5% cap—down from the current 6%

- Beginning October 1, 2027

- New limits on state directed payments (SDPs), capping them at 100% of the Average Cost of Medicare

- Payments must be reduced by 10% annually until they meet federal cap

- Beginning January 1, 2028

Impacts: Significantly impacts Oregon's long-term ability to sustain the Oregon Health Plan through current revenue mechanisms.

Planned Parenthood Medicaid exclusion

Federal restrictions on Medicaid payments to Planned Parenthood affiliates

- Prohibits the use of federal Medicaid funds for any entity meeting the definition of a "Prohibited Entity" for the period of one-year.

- Effective immediately upon enactment.

Impacts: Necessitates state funding to maintain access to reproductive health services for OHP and ContraceptiveCare Program members.

Investments to reduce H.R. 1 impacts

2025-2027
$207.8 million General Fund

Immediate State investment will reduce coverage loss, maintain operations, and preserve services that Oregonians rely on.

- Support customer service needs of Oregonians who are confused about new requirements.
- Streamline new, complicated eligibility and documentation requirements.
- Leverage technology and third parties with demonstrated success to ensure staff time and expertise are focused on the highest needs.
- Ensure OHA is prepared to meet compliance requirements to reduce financial penalties.
- Mobilize partners and community networks to reduce coverage loss.

OHA H.R.1 Medicaid request: 2025-27

$ in millions

	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Coverage and access investments Backfill to maintain member coverage and provider payments	$188.7	($156.0)	($207.2)	($174.5)	-	-
Member support and engagement Communication, call centers, language access, outreach to minimize disruption for members	$11.5	-	$8.5	$20.0	8	4.26
Compliance and policy implementation Legal, policy, and regulatory work to meet federal mandates	$3.7	$0.1	$3.5	$7.3	10	4.91
Systems Modernization and Technology IT investments to enable HR1 implementation, reduce long-term costs, and improve efficiency	$3.9	$0.9	$0.2	$4.9	3	2.25
Totals	**$207.8**	**($155.1)**	**($195.0)**	**($142.3)**	**21**	**11.42**

Member support & engagement investments

$11.5 million General Fund, 8 positions

Call Center Vendor $4.6 million	Mailing Notices $3.0 million	Community Engagement $1.7 million	Communications & Partnership $2.1 million, 8 positions
• **Provide a dedicated call center for routine questions.** Give members quick answers on topics like document uploads or work requirement details. • **Free eligibility staff for complex cases.** Ensures timely processing and avoids federal penalties.	• **Explain coverage status and next steps.** Notices must clearly state whether members need to provide information and if their benefits will continue or end. • **Use plain language to reduce confusion.** Clear, simple notices minimize back-and-forth with caseworkers and help more people maintain coverage.	• **Train and equip community partners.** Provide materials and guidance so organizations can help members maintain coverage during redeterminations. • **Leverage existing relationships to reduce burden.** Using trusted partners minimizes member confusion and prevents added strain on eligibility staff.	• **Create member-focused materials.** Develop clear, accessible communications in multiple languages to explain complex policy changes. • **Prevent coverage loss through proactive engagement.** Work with members and impacted partners to build trust and avoid unnecessary coverage terminations.

H.R.1 implementation costs summary
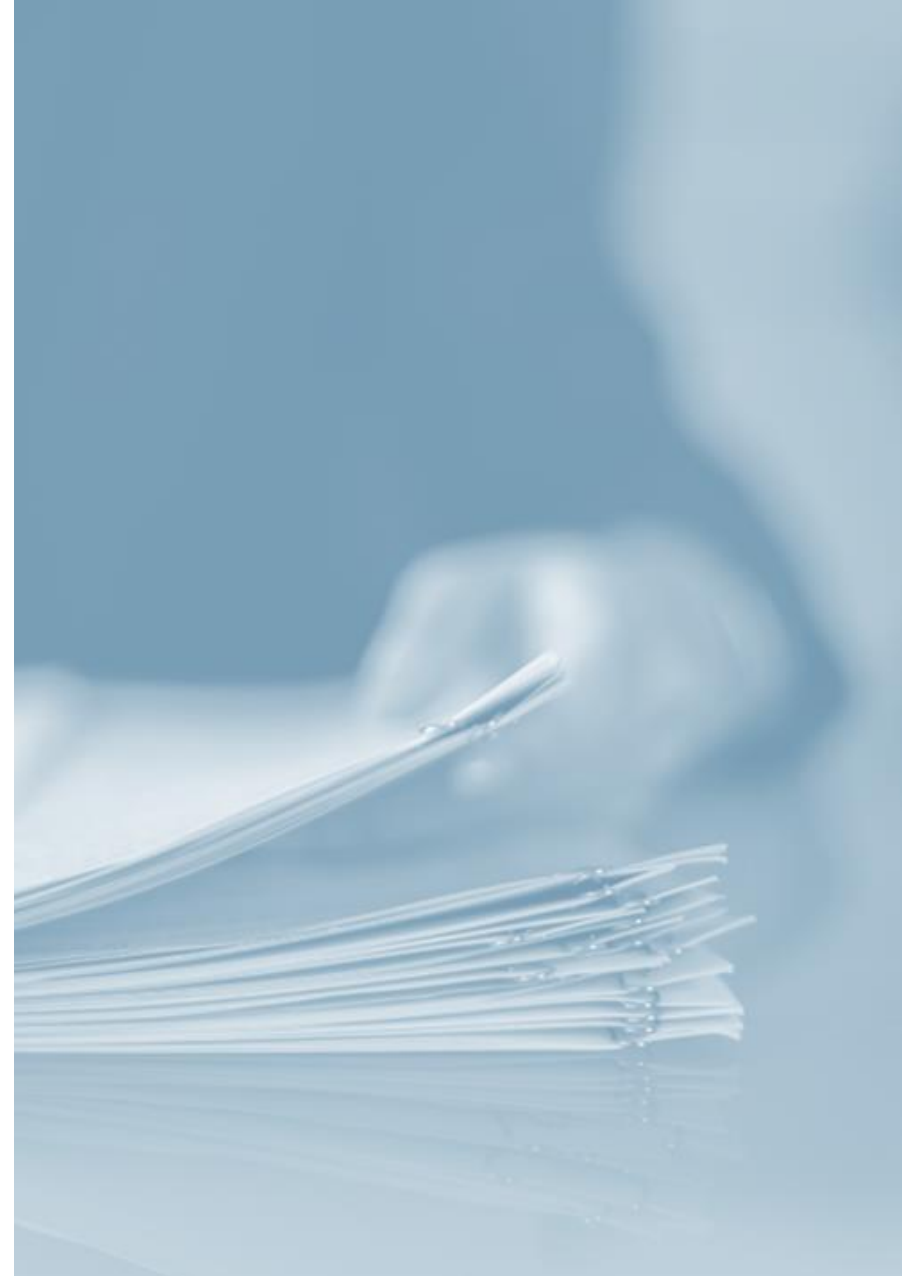
Total H.R.1 implementation request: 2025-27

$ in millions

	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
ODHS	$131.1	$10.5	$31.0	$172.6	452	326.34
OHA	$208.0	($154.5)	($194.8)	($141.3)	23	12.92
Totals	**$339.2**	**($144.0)**	**($163.8)**	**$31.3**	**475**	**339.26**

ODHS H.R.1 implementation request: 2025-27

$ in millions

	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
SNAP costs	$114.6	$0.9	($17.4)	$98.1	290	245.44
• Admin cost-share	$54.4	-	($54.4)	-	-	-
• Benefits cost-share (PER)	$39.3	$0.4	$22.8	$62.5	193	167.90
• Other (work req., outreach)	$13.8	$0.5	$8.2	$22.5	94	75.65
• EBT card security	$7.1	-	$6.0	$13.1	3	1.89
Medicaid costs	$16.5	$9.6	$48.4	$74.5	162	80.90
Totals	**$131.1**	**$10.5**	**$31.0**	**$172.6**	**452**	**326.34**

OHA H.R.1 implementation request: 2025-27

$ in millions

	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Medicaid costs	$207.8	($155.1)	($195.0)	($142.3)	21	11.42
• Eligibility changes	$59.7	<$0.1	($75.1)	($15.4)	2	1.26
• Medicaid financing	$106.3	($156.0)	($104.5)	($154.2)	1	0.63
• Work requirements	$11.1	$0.9	$6.1	$18.1	16	9.03
• Cost-sharing and co-payments	$0.2	-	$0.2	$0.3	2	0.50
• HOP Emergency Federal Match Rate	$21.7	-	($21.7)	-	-	-
• Planned Parenthood exclusion	$8.9	-	-	$8.9	-	-
SNAP costs	$0.2	$0.6	$0.2	$1.0	2	1.50
Totals	**$208.0**	**($154.5)**	**($194.8)**	**($141.3)**	**23**	**12.92**

Questions

Appendix

H.R.1 implementation costs by workstream

H.R.1 implementation costs by workstream (in millions)

Workstream (H.R.1 provision)	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Medicaid Registry (71104)	$0.16	-	$1.43	$1.59	-	-
ODHS	$0.16	-	$1.43	$1.59	-	-
Eligibility Changes Total (44110, 71107, 71109, 71112)	$59.90	$0.18	($73.59)	($13.51)	4	2.02
OHA	$59.66	$0.01	($75.06)	($15.39)	2	1.26
ODHS	$0.24	$0.18	$1.47	$1.89	2	0.76
Medicaid Financing (71115, 71116)	$106.28	($156.00)	($104.52)	($154.24)	1	0.63
OHA	$106.28	($156.00)	($104.52)	($154.24)	1	0.63
Work Requirements (71119)	$27.19	$10.36	$51.52	$89.07	176	89.17
OHA	$11.12	$0.92	$6.05	$18.10	16	9.03
ODHS	$16.07	$9.44	$45.47	$70.98	160	80.14
Cost Sharing & Copayments (71120)	$0.16	-	$0.16	$0.33	2	0.50
OHA	$0.16	-	$0.16	$0.33	2	0.50

H.R.1 implementation costs by workstream (in millions), cont'd.

Workstream (H.R.1 provision)	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Healthier Oregon Emergency federal match rate (71110)	$21.68	-	($21.68)	-	-	-
OHA	$21.68	-	($21.68)	-	-	-
Planned Parenthood Medicaid Exclusion (71113)	$8.90	-	-	$8.90	-	-
OHA	$8.90	-	-	$8.90	-	-
SNAP Work Requirement (10102)	$12.55	$0.12	$8.99	$21.67	80	67.26
OHA	$0.03	-	$0.01	$0.04	-	-
ODHS	$12.52	$0.12	$8.98	$21.63	80	67.26
Utilities (10103)	$0.98	$0.20	$0.72	$1.90	9	5.88
OHA	$0.05	$0.01	$0.01	$0.07	-	-
ODHS	$0.93	$0.19	$0.71	$1.83	9	5.88
Internet/Shelter (10104)	$0.15	$0.05	$0.07	$0.28	2	0.88
OHA	$0.01	<$0.01	<$0.01	$0.02	-	-
ODHS	$0.14	$0.05	$0.07	$0.26	2	0.88

H.R.1 implementation costs by workstream (in millions), cont'd.

Workstream (H.R.1 provision)	General Fund	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Payment Error Rate (10105)	$39.41	$1.00	$21.22	$61.63	195	169.40
OHA	$0.13	$0.58	$0.17	$0.88	2	1.50
ODHS	$39.28	$0.42	$21.05	$60.75	193	167.90
SNAP Legal Status (10108)	$0.32	$0.06	$0.17	$0.57	3	1.63
OHA	$0.01	<$0.01	<$0.01	$0.02	-	-
ODHS	$0.31	$0.06	$0.17	$0.55	3	1.63
SNAP Admin FMAP (10106)	$54.36	-	($54.36)	-	-	-
ODHS	$54.36	-	($54.36)	-	-	-
EBT Card Security	$7.13	$0.00	$6.03	$13.16	3	1.89
ODHS	$7.13	$0.00	$6.03	$13.16	3	1.89
OHA Total	$208.04	($154.48)	($194.84)	($141.28)	23	12.92
ODHS Total	$131.13	$10.46	$31.04	$172.63	452	326.34
H.R. 1 TOTAL	**$339.17**	**($144.03)**	**($163.81)**	**$31.33**	**475**	**339.26**