

REDETERMINATION UPDATE

February 2023

The "Bridge" or Basic Health Plan

For adults between the ages of 19-64 and 138-200% of the Federal Poverty Level, the Basic Health Plan would:

- Provide benefits similar to those currently covered on the Oregon Health Plan (OHP)
- Be administered by Coordinated Care Organizations (CCOs)
- Reimburse at rates equal to OHP with potential cost-based reimbursement for FQHCs
- Include zero cost-sharing for enrollees



During the Public Health Emergency (PHE), the federal government paused Medicaid's (the Oregon Health Plan) redetermination of eligibility status process. People enrolled in the Oregon Health Plan (OHP) during the PHE maintained those benefits even if they technically do not meet eligibility requirements [e.g. they were unemployed but now have a job which pays above 138% of the Federal Poverty Level (FPL)]. This led to unprecedentedly high rates of insurance coverage in Oregon, specifically for Black Oregonians.

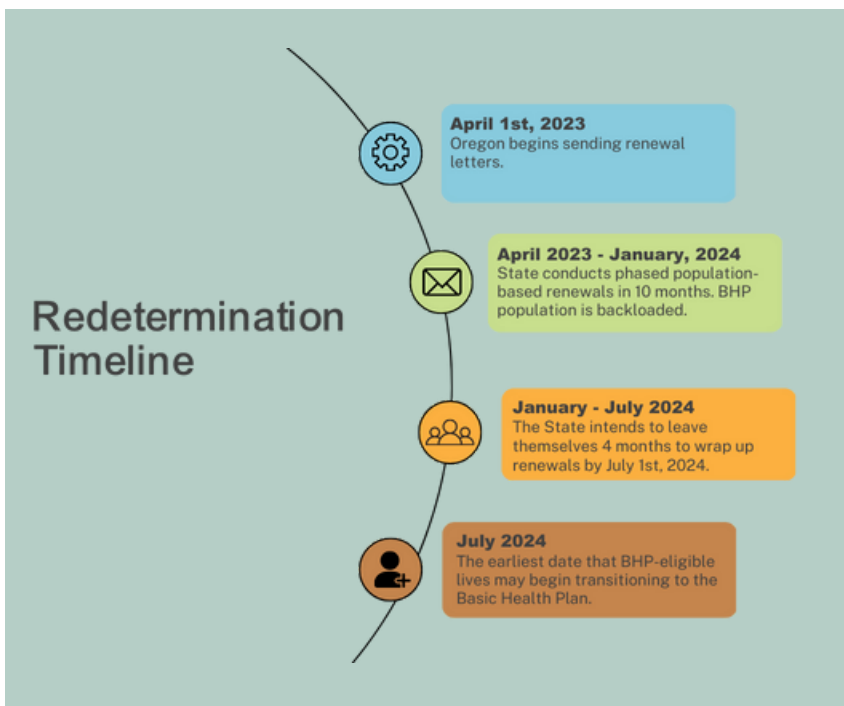
Starting April 1st, states will redetermine the eligibility status of their entire Medicaid population over a 14-month period. This will put many Oregonians at risk of losing coverage. In response, the legislature is creating a "Bridge" or Basic Health Plan for adults between 138%-200% of the Federal Poverty Level (FPL), a population colloquially termed the "Medicaid Churn" population because of their frequent eligibility shifts. This population may struggle to maintain a primary care home, and, consequently, may defer care until a health crisis occurs. It is unlikely that this population will access alternative health care plans on the marketplace due to affordability. Therefore, when they lose OHP eligibility, they carry the highest likelihood of becoming uninsured and an increased risk of experiencing a health emergency. This Basic Health Plan would prevent approximately 55,000 Oregonians from becoming uninsured.

FQHC IMPACT

OPCA advocacy has centered on health equity, ensuring the BHP is accessible to patients, provides adequate provider reimbursement, and provides a seamless transition for beneficiaries. For context, George Washington University estimates that 34,554 patients seen at FQHCs in Oregon will lose OHP coverage, not all of whom will move onto the BHP. The plan will initially reimburse at rates equal to OHP with the potential for FQHCs to receive cost-based reimbursement in the future.

Those OHP rates are not adequate to support the FQHC model of care, which wraps a broad array of holistic services around each patient. Because the BHP population will no longer be PPS-eligible, this would result in a significant revenue cut for health centers (approximately 9.5% reductions statewide), impacting network adequacy and ability to provide wraparound services to all patients. Furthermore, it is vital to note that the funding mechanism for the Basic Health Plan, even if cost-based reimbursement is set for FQHCs, likely will not disburse payments until year two of implementation. Health centers will operate on a temporary deficit as funds for BHP patients' care accrue during plan year one.

Given the decoupling of redetermination from the Public Health Emergency, the timeline for the state of Oregon to complete this process begins April 1st. Again, states have 14 months to complete renewals and terminations from the date they begin. Redeterminations will be done in a staggered way, based on... (cont. on page 3)



FQHC IMPACT (CONTINUED)

(cont. from page 2)...population demographics and ease of renewal. Oregon intends to send all renewals out in 10 months (April - Jan.) and allow 4 months to complete them and wrap up administrative duties. During this time, Oregon will also stand up the Basic Health Plan. BHP-eligible enrollees will be backloaded in the process and experience continuous OHP eligibility. This means they will also be PPS-eligible until they transition to the BHP. FQHCs can anticipate seeing OHP members who are eligible for the BHP shifting to that plan around July of 2024 at the soonest, while other subpopulations will shift earlier depending on when they receive their renewal notices. The mechanism for enrolling people into the Basic Health Plan remains unknown; official enactment of the Basic Health Plan requires legislative action and, while auto-enrollment has been discussed, final decisions regarding enrollment will be determined legislatively.

FEDERAL CHANGES

At the federal level, the increased Federal Medicaid Assistance Percentage (FMAP) which has existed throughout the PHE will begin to phase down. The image below demonstrates the timeline, concluding on December 31st. This downward trend in FMAP will impact all provider types, not just FQHCs, and should be considered for prospective budgeting. See image below for a breakdown of the phased reduction in FMAP.

FMAP DECREASE OVER TIME

TIME FRAME	MEDICAID MATCH RATE INCREASE (PERCENTAGE POINTS)	CHIP MATCH RATE INCREASE (PERCENTAGE POINTS)
January 1 -- March 31, 2023	6.2	4.34
April 1 -- June 30, 2023	5.0	3.5
July 1 -- September 30, 2023	2.5	1.75
October 1 -- December 31, 2023	1.5	1.05