Oregon’s Basic Health Program: OHP Bridge

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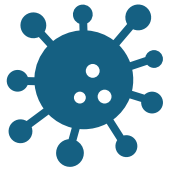
Background: why Basic Health Program?

In July 2024, Oregon became the third state to launch a Basic Health Program under ACA §1331, and the only state to do so since 2013. Why? The state was looking to address two Problems:



Problem 1: Medicaid Redeterminations

During the COVID-19 pandemic, Oregon achieved 97% insurance coverage, in part due to the pause in Medicaid eligibility redeterminations.

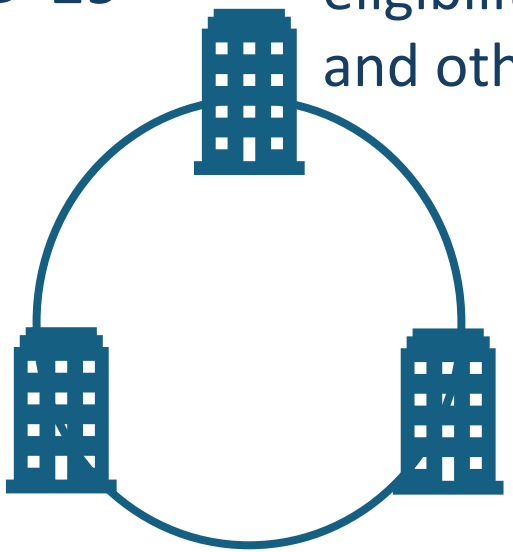
Problem 2: Medicaid Churn

The state also wanted to address the churn population, who move in and out of income eligibility, creating administrative costs and interrupting continuity of care.

Background: why Basic Health Program?

Three state agencies came together to consider policy options to preserve coverage gains made during the COVID-19 emergency.

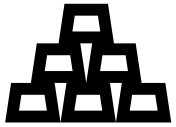
Department of Human Services
Operates the ONE system, a unified eligibility platform for Medicaid, SNAP and other entitlement programs.



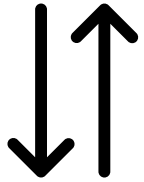
Department of Consumer & Business Services
Oregon's insurance regulator.

Oregon Health Authority
Oregon's Medicaid agency, also home to the state health insurance market.

BHP Policy Considerations for Insurance Regulators



Silver Load: like most states, Oregon 'loads' the cost of CSRs in Silver premiums. With a BHP, most CSR consumers will leave the marketplace, reducing load from 13% to around 2% and increasing the net premiums of consumers enrolled in Bronze and Gold plans.



Other Rate Impacts: smaller population increases spread, raising premiums. This may be offset by reduced morbidity.

Compounded Impact of EPTC Expiration: most work on the BHP occurred prior to the passage of the Inflation Reduction Act, raising concerns that a combined premium shock would destabilize the market.

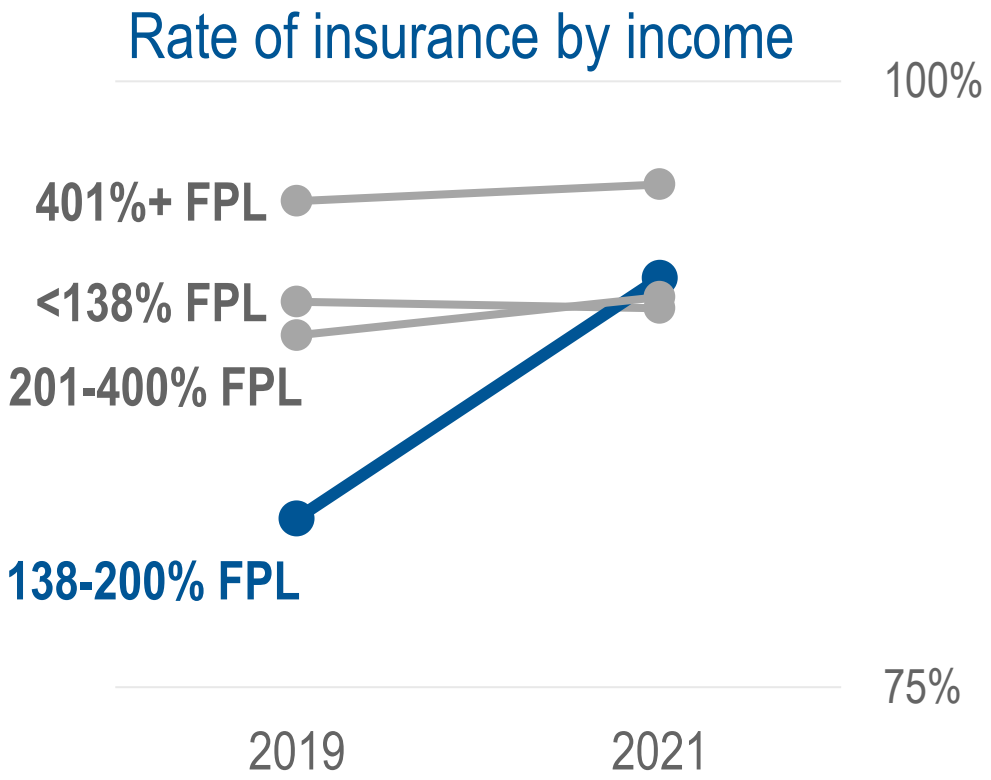
6/20/25

Oregon's path to OHP Bridge

Clare Pierce-Wrobel
Health Policy and Analytics Director

Goal to minimize churn and maintain PHE coverage gains

Family Size	Annual Income
1	$22 - $31K
3	$44 - $64K



Program development timeline

2022

- Legislative direction to develop a “Bridge program” (HB 4035)
- Bridge Health Care Program Task Force recommends a BHP

2023

- Temporary Medicaid Expansion
- BHP Blueprint development
- Public input and Tribal engagement
- BHP Blueprint submission to CMS
- CMS review of BHP Blueprint
- Rulemaking and contracting

2024

- CMS approval of BHP Blueprint
- OHP Bridge implementation July 1, 2024

OHP Bridge program design elements

- Task Force recommended using Medicaid managed care entities to administer OHP Bridge
- Benefit package almost identical to Medicaid, covering medical, dental and behavioral health
- No cost to members
- Capitation rates initially assume Medicaid reimbursement rates, with plan to reconsider rates as funding allows

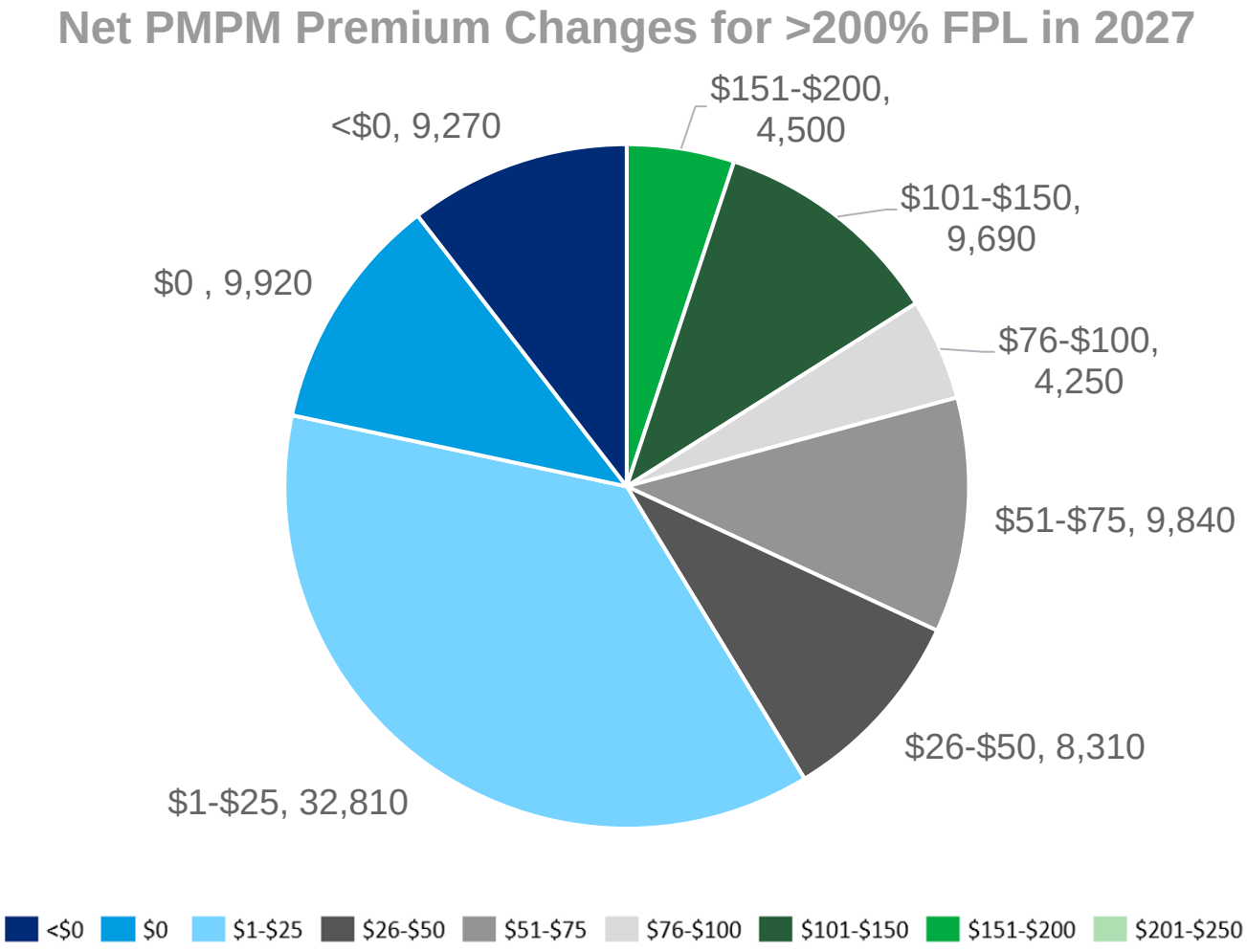
Actuarial analysis estimated impact on individual market

- Risk pool improves slightly as 133-200% FPL cohort moves out of Individual Marketplace and into Oregon's BHP
- Need to silver load goes away as people move to OHP Bridge, reducing federal subsidies along the way
- People will switch coverage, but instances of people leaving the market entirely are relatively minimal
- The individual market would remain stable and healthy, though people >200% FPL will pay more due to decreased silver loading

Est. changes to net premiums in 2027 due to OHP Bridge

In 2027, most consumers (60%) receiving tax credits are expected to face net premium increases below $25 per month.

16% of subsidized individuals are expected to face premium increases of $100 - $200 PMPM. This impact is concentrated among consumers with income greater than 400% FPL.



* Note this analysis was conducted in 2023 and does not consider premium impact of ARPA expiration or other federal changes

Premium increases will vary by income and age.

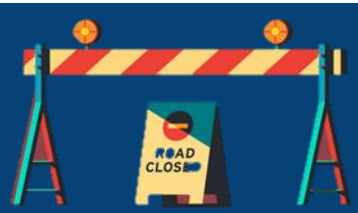
Family Size	200% FPL	300% FPL	400% FPL
	$29K	$44K	$58K
	$60K	$90K	$120K

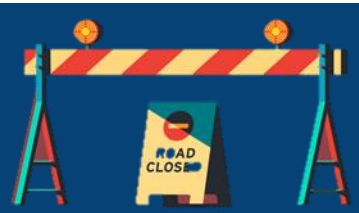
Average change to consumer portion of monthly premiums (by 2027)

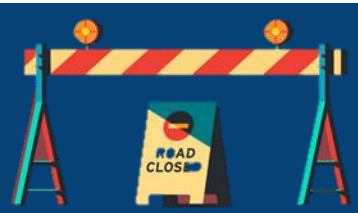
	Age		
	0 – 30	**31 – 54**	**55+**
201 - 300% FPL	$4.39	$7.65	$2.17
301 - 400% FPL	$31.41	$58.13	$43.76
> 400% FPL	$15.54	$37.33	$141.06

Several mitigation proposals considered, none feasible

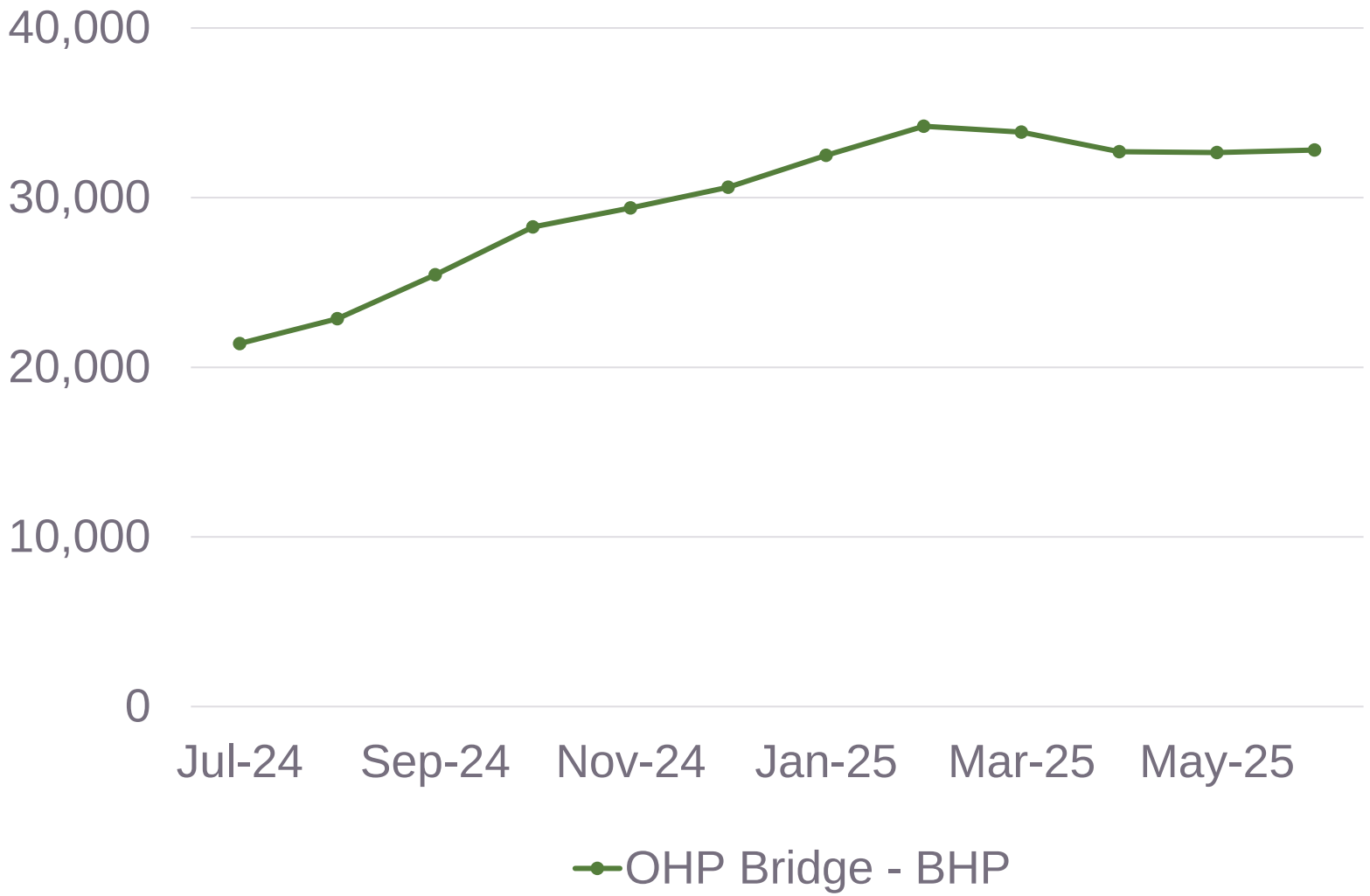
- State-administered subsidy program
  - Simplified design of the subsidy needed to implement on HealthCare.gov would violate the affordability guardrail
- Gold Benchmark on the FFM
  - CMS not able to prioritize the operational changes needed, and therefore not able to consider outstanding policy questions
- BHP look-a-like
  - Questionable if funding would cover BHP population let alone cost of mitigation







BHP enrollment tracking



Initially expected 45-65k people to move from Medicaid to OHP Bridge

- 2-year Continuous Eligibility in Medicaid waiver has slowed movement into Bridge
- People can move back to Medicaid as income changes

Expect 35k to eventually move from Marketplace

- Tracking movement is challenging, but data indicates slower growth

Reconciliation and other federal changes could affect BHP funding and operations

- CMS regularly updates BHP funding formula and “adjustment factors” that determine payment rates to states
- Expiration of enhanced subsidies reduces federal BHP funding
- Medicaid and Marketplace provisions could affect BHP eligibility, operations, and federal funding
  - Oregon’s use of Medicaid infrastructure to implement OHP Bridge creates uncertainty
  - Impact on BHP funding of CSR payments proposal in House bill is unclear

Value of OHP Bridge in wake of federal changes

- OHP Bridge can offset increased churn likely to stem from federal move to 6-month redeterminations for Medicaid.
- Expiration of enhanced APTCs will mean higher premiums for Marketplace plans – increasing value of zero-premium OHP Bridge
- Move to fund CSRs directly instead of through silver loading undercuts Marketplace impact of BHP

OREGON HEALTH AUTHORITY

Thank you!

For more information visit https://ohp.oregon.gov/bridge