

Oregon's 2022-2027 1115 Medicaid Waiver

Policy Summary

The Centers for Medicare & Medicaid Services (CMS) has approved Oregon's new demonstration effective as of October 1, 2022 through September 30, 2027.

Through the demonstration, Oregon will address many of the complex challenges facing many of Oregon's underserved residents, including individuals experiencing major life transitions such as children aging out of foster care, youth with complex medical and behavioral health needs approaching adulthood, individuals experiencing homelessness, adults and youth with justice involvement and adults transitioning to dual Medicaid-Medicare enrollment. Under the demonstration, CMS is approving initiatives related to continuous eligibility, coverage expansion, and health-related social needs (HRSN) with an emphasis on improving the health and well-being of Oregon's children and youth.

Oregon Health Plan members and community partners have consistently reported the need for OHA to address health inequities both in the health system and in the communities where members live and work. Improving health inequity is the overarching focus of Oregon's 2022-2027 1115 Medicaid Demonstration Waiver. As such, our 2022-2027 1115 Medicaid Waiver focuses on these main goals aimed at eliminating health inequities by 2030:

- Continuous enrollment to increase access to care and to promote better health
- Coverage of new health-related social needs benefits (housing and nutrition supports, and supports for extreme climate events) for certain members facing complex challenges
- More access to services for youth with complex medical and behavioral health needs
- Additional federal support for these initiatives through Designated State Health Programs.

New Authorities in this Demonstration

Oregon's waiver encompasses a variety of authorities that maximize continuous and consistent access to coverage, improve health through focused investments that address health-related social needs, and support population health.

Continuous Coverage

With this approval, the state is able to provide continuous eligibility for children from the time of initial eligibility determination until they reach age six. The state is also able to provide continuous two-year eligibility for children and adults ages six and older, regardless of changes in circumstances that would otherwise cause a loss of eligibility. This continuous eligibility supports consistent coverage and continuity of care by keeping beneficiaries enrolled for 24 months or longer, regardless of income fluctuations or other changes that otherwise would affect eligibility (except for death or ceasing to be a resident of the state). Continuous eligibility policy is likely to minimize coverage gaps and to help maintain continuity of access to care. Continuous coverage is also an important aspect of reducing the rate of uninsured and underinsured individuals.

Youth with Special Health Care Needs

This demonstration allows Oregon to expand Medicaid eligibility and benefits for “youth with special health care needs” (YSHCN) up to the age of 26 with income levels up to 300 percent of the federal poverty level (FPL). This approval will provide these youth and young adults with time to better navigate transitions to Oregon’s adult benefit package with fewer disruptions in coverage, increasing the likelihood that these youth will maintain access to the care they need as they enter adulthood.

Health-related Social Needs

Oregon’s waiver allows the state to provide or increase coverage of certain services that address certain health-related social needs (HRSN). CMS is authorizing increased coverage of certain services that address HRSN, as evidence indicates that these HRSN are a critical driver of an individual’s access to health services that help to keep them well. These services include critical nutritional services and nutrition education, as well as transitional housing supports. This is ground-breaking authority and the first time HRSN have been approved as a Medicaid benefit.

In Oregon, HRSN services will be provided for individuals experiencing life transitions, including individuals who are homeless or at risk of homelessness, individuals transitioning from Medicaid-only coverage to dual Medicaid-Medicare coverage, youth with special health care needs transitioning to adulthood, youth who are involved with the child welfare system, adults and youth released from incarceration or discharged from an Institution for Mental Diseases (IMD). The HRSN services approved for Oregon’s demonstration include short-term post-transition housing for up to six months, housing supports, nutrition education, and medically-tailored food assistance. Providing these services is likely to directly improve health outcomes as well as improve use of other clinical services. For example, individuals with poor health who also experience housing insecurity are likely to frequently use the emergency department for their care.

Coverage of HRSN during climate emergencies

The demonstration allows for coverage of devices to maintain healthy temperatures and clean air during climate emergencies. Individuals with a high-risk clinical need who reside in a region that is experiencing extreme weather events that place the health and safety of residents in jeopardy as declared by the federal government or the Governor of Oregon will be eligible for these supports.

Additional Federal Funding through DSHP

With this OHP demonstration, CMS has approved authority for Designated State Health Programs (DSHP – pronounced “DISH- PEA”) to enable the state to implement new innovative initiatives. CMS approved \$268 million DSHP federal buy out for the five years of the demonstration. The buy-out allows federal matching funds for a state-funded Designated State Health Program that “free up” state funding to support new Medicaid coverage and HRSN services and related infrastructure investments. The “freed up” state funding will result in \$1.2 billion across the demonstration, which includes a state contribution of \$88 million during the last year of the demonstration. Therefore, the total in new federal funds are \$1.1 billion for the demonstration.

Investments in children and youth will improve health and reduce health inequities

- **Oregon will implement continuous enrollment¹ for children until age 6, regardless of when they first enroll in the Oregon Health Plan, and regardless of changes in circumstances that would otherwise cause a loss of eligibility.** Oregon is the first state in the nation to make this investment in children’s health. Lengthening continuous coverage from one year up to six years for younger children will stabilize access to care increasing access to early-childhood screenings and necessary treatment.
- **OHP will include all Early Periodic Screening, Diagnosis, and Treatment (EPSDT) required services for children and youth up to age 21 and for YSHCN to age 26.** Oregon did not seek approval to waive the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, and has committed to covering all EPSDT services by January 1, 2023. This will increase access to the full breadth of preventive, dental, mental health, developmental, and specialty services for children, adolescents, and young adults to age 21 in the state with extended coverage for YSHCN until age 26.
- **The Youth with Special Health Care Needs (YSHCN) eligibility criteria will be expanding.** Beginning no earlier than July 1, 2023, individuals are eligible for YSHCN benefits if they are between ages 19 and 26, with income up to 300 percent federal poverty level (FPL) and, prior to turning age 19, meet criteria that demonstrates certain medical or behavioral health needs. Under the new waiver, YSHCN will have increased vision and dental services and coverage for EPSDT. Effective transition from pediatric to adult health care results in more regular care, patient satisfaction, improved quality of life, and better self-care skills.
- **Health-related social needs benefits will be available for at risk youth including YSHCN, children and youth involved in the child welfare system and youth with justice involvement.** Children, youth, young adults and their families experiencing complex life transitions will be eligible for housing and nutrition services as well as case management. These benefits will help to stabilize youth and their families so they can receive needed services and experience better physical and mental health.

Oregon did not seek approval of past waiver demonstrations

Oregon is winding down three authorities from past demonstration approvals that will result in improvements in access and coverage.

- First, the state is no longer seeking waiver authority for the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, and has committed to covering all EPSDT services by January 1, 2023. This will increase access to the full breadth of preventive, dental, mental health, developmental, and specialty services for children and adolescents in the state.
- Second, the state is no longer seeking a waiver of the retroactive eligibility requirement, which was not used during the prior demonstration period.
- Lastly, the state has agreed to phase out the Prioritized List from demonstration authority by January 1, 2027 and transition it to a State Plan Amendment as part of regular Medicaid services, as further detailed below.

¹ To begin when the continuous coverage requirement ends, authorized by the Families First Coronavirus Response Act (FFCRA).

Changes to the Prioritized List of Services

Oregon and CMS agree that the Prioritized List as it is currently used in Oregon's Medicaid program no longer requires waiver authority and that it is preferable to transition the Prioritized List to the State Plan. Oregon no longer moves the "cut-off point" for covered condition-treatment pairings to scale the benefit package up or down; instead, the Prioritized List is used to evaluate what is covered within the existing scale of the benefit package. Covered benefits will be described in the state plan and related state guidance, and any individual who is denied a covered service will have a right to appeal. The state will continue to rely on the HERC to guide its decisions on efficacy and medical necessity criteria through a transparent, public process. Given the nearly thirty-year history of the Prioritized List, the state will need to complete a detailed regulatory and operational review with the potential for meaningful changes in law, rules, or processes. Accordingly, the waiver of amount, scope and duration will terminate on January 1, 2027, to give the state sufficient time to make necessary changes.

Requests Not Being Approved at this Time

Oregon and CMS are continuing discussions regarding the following pending requests, which are components of the state's strategy to improve equitable access and outcomes for individuals enrolled in Oregon's Medicaid and CHIP programs.

The state's application proposed to fund community-led health equity interventions, managed by new Community Investment Collaboratives (CICs) throughout the state. CICs would be composed of community-based organizations and health care providers who partner to improve health equity in their local communities. While not being approved at this time, CMS recognizes the importance of improving health quality and equity and is committed to working closely with the state in the coming months to further evaluate this proposal.

The state requested to provide limited OHP benefits for the duration of incarceration for youth in juvenile correctional facilities as well as all individuals in jail or other local/tribal correctional facilities. The state also requested to provide a limited benefit package to adults in prison or institutions for mental diseases (IMD) for up to 90 days prior to their release from these settings. CMS is supportive of increasing pre-release services for justice-involved populations and of supporting individuals' transitions from institutional settings back into the community, and will continue to work with the state on this component of its proposal.

In an effort to strengthen and improve coverage for the American Indian/Alaska Native beneficiaries, the state also requested authority to remove prior authorization requirements for these beneficiaries, convert the Special Diabetes Program for Indians (SDPI) to a Medicaid benefit, reimburse tribal-based practices, and extend coverage of new health-related social need services to tribal members not enrolled in a Coordinated Care Organization (CCO). CMS recognizes the importance of addressing health disparities in Oregon's American Indian and Alaska Native communities, and will continue to explore these proposals with the state.

Policies Oregon removed from its application

There are also several proposals from Oregon's request that the state removed from its application or that the state and CMS have mutually determined can be addressed through Oregon's state plan or other mechanisms and do not require 1115(a) demonstration authority at this time. These include:

- Several rate setting flexibilities for Coordinated Care Organizations
- Expedited Medicaid enrollment via the Supplemental Nutrition Assistance Program (SNAP)
- Authority to cover peer-delivered behavioral health services without a corresponding plan of care from a physician or other licensed practitioner. This authority will be addressed with a State Plan Amendment.
- Several pharmacy requests

For more information on the Oregon 2022-2027 1115 Medicaid Waiver

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