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Summary of Draft 2027-2032 1115 OHP Waiver Renewal (11/9/26)

The Oregon Health Authority (OHA) is requesting a five-year extension of the existing Section 1115(a) Medicaid Waiver demonstration, which is set to expire on Sep. 30, 2027.

The following sections summarize the proposed draft 2027-2032 1115 Oregon Health Plan (OHP) Demonstration Waiver Renewal application content posted for public comment for a 30-day period beginning Nov. 9, 2026, and ending Dec. 9, 2026. Application content is subject to change prior to final submission to the Centers for Medicare & Medicaid Services (CMS) upon completion of public comment and Tribal Consultation activities.

Please visit our website for the full draft application and up-to-date information including how to provide public comment.

Contents

Program Description, Goals, and Objectives 2

2027-2032 1115 OHP Waiver Goals and Objectives 3

Summary of Waiver Initiatives and Changes to Eligibility, Benefits, Cost Sharing, or Delivery System 4

Eligibility 4

Benefits 4

Cost Sharing 4

Delivery System 5

Waiver Initiatives Requested to Continue with No Changes 5

Waiver Initiatives Requested to Continue with Amendments 6

Waiver Initiatives Discontinuing 8

Program Description, Goals, and Objectives

For more than three decades, Oregon's 1115 OHP Demonstration has been a central tool for transforming Oregon's health care system, improving, care, and lowering costs. Working with Coordinated Care Organizations (CCOs), Tribal partners, providers, community-based organizations, and members, OHA has used the 1115 OHP Waiver to strengthen the CCO model, evidence-based coverage design, and Tribal partnerships. It has also allowed the state to try new approaches to coverage and care, such as providing continuous OHP eligibility for children and adults, health-related social needs (HRSN) supports for housing and nutrition, expanded benefits for young adults with special health care needs, and addressing the needs of Tribes and the Urban Indian Health Program (UIHP).

Key accomplishments of the current Demonstration include (as of mid-2026):

- More than 15,000 OHP members received HRSN rent and utility assistance, and the HRSN housing provider network grew to 121 providers.
- More than 28,000 members received HRSN Outreach and Engagement services, and over 80,000 medically tailored meals were provided.
- Over 49,000 young adults with special health care needs enrolled in YSHCN coverage (as of September 2026).

- Over 700,000 children maintained OHP coverage due to continuous eligibility (as of July 2026).
- Six of the Nine Federally Recognized Tribes of Oregon and the UIHP delivering and billing Medicaid for Traditional Health Care Practices (as of October 2026).

As OHA developed its 2027–2032 1115 OHP Waiver renewal application, the federal policy landscape changed significantly. For example:

- CMS issued a new budget neutrality framework, which will impact whether CMS will approve and pay for certain 1115 waiver initiatives (June 2026)
- CMS released updated guidance rescinding HRSN guidance outlined by the prior administration (March 2025)
- CMS stated it will not approve or extend continuous eligibility authority (July 2026) or Designated State Health Program (DSHP) funding (April 2025)
- New federal legislation, "H.R. 1" created new 6-month Medicaid redetermination requirements and is projected to significantly cut available Medicaid funding for Oregon

Given changing federal requirements and state budget limits, OHA is submitting a more focused 1115 OHP Waiver renewal application. OHA proposes to:

- Continue authorities that are working
- Adjust authorities to fit with available funding and implementation experience
- Discontinue authorities that no longer align with federal guidance

OHA's commitment stays the same: keep as much of the progress made under the current demonstration as possible, and focus resources where they help members most.

2027-2032 1115 OHP Waiver Goals and Objectives

The extension is an opportunity to consolidate the gains under the current Demonstration and to concentrate the next five years on the coverage, services, and delivery system features proven to be most effective. Oregon proposes the following goals:

- Sustain a high-quality benefit package that supports the health and well-being of OHP members;

- Operate a coordinated care delivery model that is accountable for value, quality, and outcomes through ongoing measurement and monitoring;
- Maintain access to critical preventive services and treatments, in particular for young adults with special health care needs;
- Invest in targeted, high-value HRSN and reentry supports to members for whom they are most likely to benefit, including those navigating transitions in care or coverage that builds off what has been learned to date around HRSN implementation;
- Sustain access to services available through IHS and Tribal health facilities and strengthen the Tribal health system; and
- Implement benefits in a manner that emphasizes program integrity, fiscal responsibility, and operational sustainability.

To meet these goals, Oregon proposes to renew certain authorities without modification, modify others based on implementation experience, and discontinue authorities no longer aligning with federal guidance. All requests related to Tribal priorities are subject to further refinement through Tribal Consultation.

Summary of Waiver Initiatives and Changes to Eligibility, Benefits, Cost Sharing, or Delivery System

Eligibility

No changes are proposed to OHP eligibility categories other than (1) discontinuing continuous eligibility and (2) reducing YSHCN income eligibility to up to 138% FPL. The Expanded Adult Program for individuals ages 19–64 with household income above 133% up to and including 200% FPL who are exempt from mandatory managed care continues without change.

Benefits

The application does not propose any changes to the OHP benefit package, except as described above.

Cost Sharing

The application does not propose any new premiums, co-payments, or deductibles.

Delivery System

Oregon will continue to deliver most services through CCOs, community-based managed care organizations operating under risk contracts. CCOs provide integrated physical, behavioral, and dental services. American Indian/Alaska Native (AI/AN) members may choose CCO enrollment or Fee-for-Service (FFS); dually eligible individuals are passively enrolled in CCOs with the option to opt out; long-term services and supports remain carved out and delivered through FFS. No changes to the delivery system are proposed.

Waiver Initiatives Requested to Continue with No Changes

Oregon requests to continue the following 1115 OHP Waiver initiatives with no changes:

Waiver Initiative	Changes to Eligibility, Benefits, Cost Sharing, or Delivery System	Reasoning
HRSN Nutrition (Medically Tailored Meals, Nutrition Education, Pantry Stocking, Fruit & Vegetable)	No change The state will continue to work with the Nine Federally Recognized Tribes of Oregon and the Urban Indian Health Program (UIHP) through Tribal Consultation to further refine the request for HRSN nutrition services that best aligns with the Tribal health system and supports improving outcomes for the populations and communities they serve.	Oregon requests to continue existing waiver and expenditure authorities to allow for more time to provide and evaluate newly implemented HRSN Nutrition benefits. Oregon will continue to discuss with Tribal partners through Tribal Consultation process prior to application submission.
Traditional Health Care Practices	No change	Oregon requests to continue existing authority and will continue to discuss with Tribal partners through Tribal Consultation process prior to application submission.
Chemical Dependency	No change	Oregon requests to continue existing authority for chemical dependency treatment for eligible individuals which do not meet the requirements of section 1905(a)(13) of the Social Security Act, because of the absence of

		a recommendation of a physician or other licensed practitioner.
Expanded Adult Program for Individual Exempt from Managed Care	No change	Oregon requests to continue existing authority for OHP Bridge – Basic Medicaid. This authority ensures that American Indian / Alaska Native (AI/AN) members otherwise eligible for OHP Bridge – BHP (133-200% FPL) continue to be exempt from mandatory CCO enrollment.
Care Coordination Organization (CCO) Delivery System	No change	Oregon requests to continue longstanding waiver and expenditure authority to administer OHP via the Managed Care CCO model.

Waiver Initiatives Requested to Continue with Amendments

Oregon requests to continue the following 1115 OHP Waiver initiatives with changes as outlined in each row:

Waiver Initiative	Changes to Eligibility, Benefits, Cost Sharing, or Delivery System	Reasoning
HRSN Housing: Rent, Utilities, and Tenancy Services	*Changes to eligibility:* Narrow eligibility to individuals who are at-risk of homelessness and are experiencing high-risk pregnancy or who experienced a high-risk pregnancy and are less than 12 months postpartum. The state will continue to work with the Nine Federally Recognized Tribes of Oregon and the UIHP through Tribal Consultation to further refine the request for HRSN housing services that best aligns with the Tribal health system and supports improving outcomes for the populations and communities they serve.	Oregon is facing $833 million in funding cuts projected in 27-29 due to HR 1. CMS' policy decision indicated in guidance issued April 2025 to not extend Designated State Health Program (DSHP) funding authority inhibits the ability of the state to offer a robust housing benefit through the Medicaid program. A limited benefit focused on this high-risk population during a critical life transition and period of development is proposed. Oregon will continue to discuss with Tribal partners through Tribal Consultation process prior to application submission.
HRSN Outreach and Engagement (O&E)	*Changes to eligibility:*	Oregon requests to modify to align with eligibility for available HRSN services.

	Modify eligibility to align with eligible populations for HRSN nutrition and HRSN housing renewal requests. The state will continue to work with the Nine Federally Recognized Tribes of Oregon and the UIHP through Tribal Consultation to further refine the request for HRSN O&E services that best aligns with the Tribal health system and supports improving outcomes for the populations and communities they serve.	Oregon will continue to discuss with Tribal partners through Tribal Consultation process prior to application submission.
Young Adult with Special Health Care Needs (YSHCN)	*Changes to eligibility:* Reduce financial eligibility criteria to up to 138% FPL.	In alignment with CMS' guidance issued April 2025 Oregon requests to modify eligibility expecting a decrease in available funds for YSHCN services without continued DSHP Funds. Oregon requests these changes so the YSHCN program can remain sustainable given the removal of a key funding source.
Reentry Demonstration	*Changes to Benefit:* Reduce benefit duration from up to 90-days pre-release to up to 60 days pre-release.	Oregon requests reduced benefit duration to align with CMS guidance issued September 2026 and state budget constraints.
Traditional Health Care Practices Implementation Funds	The state will continue to work with the Nine Federally Recognized Tribes of Oregon and the UIHP through Tribal Consultation to further refine a request for ongoing Traditional Health Care Practices Implementation Funds that meets Tribal partners' needs and ensures culturally appropriate service delivery is achieved.	Oregon will continue to discuss with Tribal partners through Tribal Consultation process prior to submission.
Primary Care Services for Tribes (formerly called	The state will continue to work with the Nine Federally Recognized Tribes of Oregon	Oregon will continue to discuss with Tribal partners through

"Tribal Uncompensated Care Program" or "UCCP")	and UIHP through Tribal Consultation to identify any additional needs from the current 1115 waiver authority for Primary Care Services for Indian Health Care Providers (IHCPs), including the UIHP, which may include discussing with CMS expanding the covered services to best meet Tribal partner's needs.	Tribal Consultation process prior to application submission.
Special Diabetes Program for Indians (SDPI)	The state requests to continue conversations with CMS regarding waiver and expenditure authority to establish the Special Diabetes Program for Indians (SDPI) services as a Medicaid benefit. The state will continue to work with the Nine Federally Recognized Tribes of Oregon and the UIHP through Tribal Consultation to further refine the request for SDPI.	Oregon will continue to discuss with Tribal partners through Tribal Consultation process prior to application submission.

Waiver Initiatives Discontinuing

Oregon requests to discontinue the following 1115 OHP Waiver initiatives where federal demonstration authority is no longer needed or aligned with current CMS policy. Oregon plans to wind down implemented initiatives in accordance with all federal and state requirements including notifying and transitioning impacted members to other services, when available, to meet their needs.

Waiver Initiative	Changes to Eligibility, Benefits, Cost Sharing, or Delivery System	Reasoning
HRSN One-time transition and moving costs (not currently implemented)	Discontinuing initiative	Initiative was not implemented during 2022-2027 demonstration. In alignment with CMS' guidance issued April 2025 Oregon plans to discontinue expecting removal of a key funding source (DSHP) and state budget constraints.

HRSN Home Changes for Health (formerly Climate)	Discontinuing initiative	In alignment with CMS' guidance issued April 2025 Oregon plans to discontinue expecting removal of a key funding source (DSHP) and state budget constraints.
HRSN Housing: Storage fees, hotel/motel stays, home modifications, and remediations	Discontinuing initiative	In alignment with CMS' guidance issued April 2025 Oregon plans to discontinue expecting removal of a key funding source (DSHP), low uptake of benefits during this demonstration, and state budget constraints.
HRSN Infrastructure Funding	Discontinuing initiative: Access to time-limited funds ends 9/30/27	In alignment with CMS' guidance issued April 2025 Oregon plans to discontinue the DSHP HRSN Infrastructure expenditure authority. CMS approved this funding through the end of our current 22-27 Waiver and will no longer be available after September 30, 2027.
Continuous Eligibility (CE) up to Age 6	Discontinuing initiative	CMS indicated in July 2026 guidance they will not approve requests for CE going forward. H.R.1 created 6-month redetermination requirements.
Continuous Eligibility (CE) for 2 years beyond age 6	Discontinuing initiative	CMS indicated in July 2026 guidance they will not approve requests for CE going forward. H.R.1 created 6-month redetermination requirements.
Designated State Health Programs (DSHP)	Discontinuing initiative	In alignment with CMS' guidance issued April 2025 Oregon plans to discontinue DSHP expenditure authority.
Reentry Demonstration Infrastructure Funding	Discontinuing initiative	In alignment with CMS' guidance issued April 2025 and September 2026 Oregon plans to discontinue the DSHP Reentry Implementation expenditure authority. Oregon will continue to work with CMS to request alternate sources of funding to support carceral facility and community partner infrastructure and implementation expenditure needs.

Please visit our website for the full draft application and up-to-date information including how to provide public comment.

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https://www.oregon.gov/oha/HSD/Medicaid-Policy/Pages/OHP-Waiver-Application.aspx