Oregon Health Plan

Section 1115 Quarterly Report

4/1/2023 – 6/30/2023
Demonstration Year (DY): 21 (10/1/2022 – 9/30/2023)
Demonstration Quarter (DQ): 3
Federal Fiscal Quarter (FQ): 3/2023

Oregon Health Authority

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I. Introduction

A. Letter from the State Medicaid Director

During this quarter, the Oregon Health Authority (OHA) continued to work with our partners in the Medicaid system to meet our program goals and statewide health equity goals. In this quarter, implementation progress continued. Highlights include progress made toward implementation of continuous eligibility policies, including interagency collaborative work to support systems changes and testing and to provide informational webinars to community partners who assist Oregon Health Plan (OHP) applicants and recipients.

Teams designing youth with special health care needs (YSHCN) eligibility expansion implementation brought together key cross-agency partners to identify areas for development and collaboration, began regular convening of internal systems teams (Oregon Eligibility (ONE) Information Exchange, Medicaid Management Information System (MMIS), Mainframe) to map out technological pathways to coverage and care, and furthered efforts to define Centers for Medicare & Medicaid Services (CMS)-approved eligibility pathways.

Oregon submitted the health-related social needs (HRSN) Infrastructure protocol at the beginning of this reporting period and has successfully received approval on 15 programs to claim federal financial participation as Designated State Health Programs (DSHP).

Dana Hittle, State Medicaid Director

B. Demonstration description

On September 28, 2022, the Centers for Medicare & Medicaid Services (CMS) approved Oregon's renewed 1115 Demonstration waiver, which is effective October 1, 2022, to September 30, 2027. This most recent approval included significant eligibility expansion authority as well as new services for individuals who have health-related social needs and are experiencing life transitions. Collectively, these reforms are expected to further OHA's goal to eliminate health inequities by 2030 by connecting underserved populations with effective health care and supports.

Several of Oregon's proposals are still being negotiated with CMS. These provisions include Tribal-related requests, a limited Medicaid benefit package for individuals in a state hospital or a carceral setting, and community investment collaboratives to fund local health equity efforts.

Voluminous and complex changes are included in the waiver, impacting many populations and creating new opportunities to address historical health inequities. Children who are enrolled in Medicaid any time prior to their 6th birthday will remain enrolled until age 6. People over age 6 will automatically remain enrolled for two years (instead of one). These eligibility changes help members remain covered longer and be less likely to lose coverage because of short-term changes in eligibility, e.g., temporary income fluctuations.

The approved waiver includes some benefit changes for youth. All federally required Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services for children and youth to age 21 will be available. Additionally, for youth with special health care needs, eligibility criteria will allow access to expanded benefits, including EPSDT, until age 26.

The waiver also includes significant and nationally innovative service expansions for target populations. Effective 2024, Oregon will provide health-related social needs benefits (such as housing and nutrition services) to people who are experiencing specific transitions in their lives. Eligible populations include:

- Youth with special health care needs aged 19 – 26
- Youth who are child welfare involved, including leaving foster care at age 18
- People who are experiencing homelessness or at risk of homelessness
- Older adults who have both Medicaid and Medicare health insurance
- People being released from custody
- People at risk of extreme weather events due to climate change

Under the new waiver, OHP members will get increased care and social supports in more situations. OHA is committed to working collaboratively with Tribal governments, communities of color and members of other historically underserved populations to design a benefit and implementation approach that expands health care access and quality and improves the lifelong health of everyone in Oregon.

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II. Title

Oregon Health Plan Section 1115 Quarterly Report
Reporting period: 4/1/2023 – 6/30/2023
Demonstration Year 21—Quarter 3
Federal Fiscal Year 2023—Quarter 3

III. Executive Summary

This quarterly report summarizes OHA activities for Demonstration Year 21 Quarter 3 from April 1, 2023 through June 30, 2023. This quarter focused primarily on a statewide overview of progress toward operationalization of the approved waiver demonstration. The report includes implementation updates as well as summary reports regarding key Oregon Medicaid programmatic areas.

Significant accomplishments and milestones include, but are not limited to:

- Significantly changed the Oregon Health Plan eligibility system to prioritize renewals during the Public Health Emergency unwinding period.
- Improved CCO financial performance.
- Continued to design the Oregon Eligibility (ONE) system changes to support the continuous eligibility policy.
- Progressed toward youth with special health care needs eligibility expansion implementation.
- Passage of state budget and several bills affecting the Oregon Medicaid program and the health of Medicaid members.

A. Enrollment progress

1. OHP eligibility
Significant eligibility system changes were made to support the state's April 1, 2023 launch into the Public Health Emergency (PHE) unwinding period. This included changes to support equal distribution and careful prioritization of renewals during the unwinding year, as well as updated logic

to support ongoing methods of determining eligibility. For example, requests for verification of income have resumed when attested income is discrepant with amounts returned from electronic sources.

Although OHA has continued to process renewals throughout the PHE period, individuals did not lose coverage if they did not respond or were found to no longer qualify. PHE unwinding renewals began in April 2023, which removed protected coverage provisions. Now, OHA will terminate the coverage of individuals who are found to no longer qualify at renewal. Individuals are being given an extended closure notice period in which to secure alternative coverage and avoid gaps. The earliest individuals could start losing coverage as a result of renewals was June 30, 2023.

Additionally, a new temporary Medicaid program was implemented on April 1, 2023, for adults who were previously covered but experience an increase in income that puts them between 138% and 200% of the Federal Poverty Level, thus making them ineligible for any other programs. This temporary "bridge" program is intended to keep qualifying individuals on Medicaid at the time of renewal, or with any change in circumstance thereafter, until Oregon implements a Basic Health Plan. This will result in fewer terminations of coverage and increased continuity of care.

2. CCO enrollment

Total CCO enrollment for April 2023 – June 2023 grew by 1.8%, across all plan levels (CCOA, CCOB, CCOE, CCOG). Individual CCOs' membership growth ranged between 0.8% and 4.2%.

Across the 16 CCOs, there are 48 unique CCO-county service areas. To provide context for geographic variability in membership growth trends, please see the table below.

DY21 Q3 (Apr – Jun 2023) Member Growth Zone	CCO Service Areas
Greater than 5.001%	0
3.00 – 4.99%	1
2.00 – 2.99%	0
0.00 – 1.99%	15
Reduction in enrollment	0

Overall enrollment growth was lower than in the previous quarter, but higher than in the same period in 2022. Please see the table below for a comparison of enrollment growth across all quarters.

DY19Q4 4/21 – 6/21	DY20Q1 7/21 – 9/21	DY20Q2 10/21 – 12/21	DY20Q3 1/22 – 3/22	DY20Q4 4/22 – 6/22	DY20EP 7/22 – 9/22	DY21Q1 10/22 – 12/22	DY21Q2 1/23 – 3/23	DY21Q3 4/23 – 6/23
2.4%	2.2%	2.4%	2.6%	1.4%	2.9%	2.5%	2.4%	1.8%

As noted in previous reports, on May 1, 2020, OHA waived the requirement to limit each CCO's enrollment to the county limit(s) and grand total limit listed in its contract to mitigate enrollment challenges during the pandemic. This requirement was initially established for CCO contract year 2020, was extended for contract year 2021 and has since been extended through contract year 2023 (December 31, 2023).

Between April 2023 and June 2023, two CCOs required adjustment above their 2023 contract limit in nine county service areas in order to sustain auto-enrollment algorithms. Two notable events started during this quarter: First, Oregon began its Medicaid redetermination process following the Public Health Emergency (PHE) freeze on benefit closures. Second, Oregon's Temporary Medicaid Expansion started to cover Medicaid members who are found during the redetermination process to meet the income criteria for the Basic Health Plan, which is set to begin mid-year 2024.

B. Benefits

The Pharmacy &Therapeutics (P&T) Committee: The P&T Committee developed new or revised **prior authorization (PA) criteria** for the following drugs: oncology agents; orphan drugs; non-preferred drugs in Select PDL Classes; tzield™ (eplizumab-mzwv); growth hormones; sedatives; sodium phenylbutyrate-taurursodiol; radicava (edaravone); low dose quetiapine; targeted immune modulators for severe asthma and atopic dermatitis; targeted immune modulators for autoimmune conditions; skyclarys™ (omaveloxolone); calcitonin gene-related peptide (CGRP) inhibitors; botulinum toxins. The committee retired the bezlotoxumab PA and incorporated into the new prevention of recurrent clostridioides difficile-associated infection PA criteria.

The committee also recommended the following changes to the **preferred drug list (PDL):** make brimonidine tartrate 0.1% ophthalmic drops preferred; include tzield™ (teplizumab-mzwv) with the miscellaneous antidiabetic agents and designate non-preferred; make ramelteon tablets preferred; make riluzole tablets preferred, and riluzole film and riluzole oral suspension non-preferred; designate edaravone and sodium phenylbutyrate-taurursodiol non-preferred; make quetiapine ER preferred; make omaveloxolone non-preferred; make fecal microbiota non-preferred; make metronidazole capsules non-preferred.

Health Evidence Review Commission (HERC): The January 1, 2023 prioritized list went into effect on January 1, 2023, and was reported in a Notification of Interim Changes. The February 1, 2023 prioritized list went into effect on February 1, 2023, and was reported in a Notification of Interim Changes.

C. Access to care

This information will be updated in the annual monitoring report.

D. Quality of care

This information will be updated in the annual monitoring report.

E. Complaints, grievances and hearings

1. CCO and FFS complaints and grievances

During a recent update of reporting processes, OHA identified some data quality issues that will likely require CCOs to resubmit their reporting for this period. A full analysis of remaining complaints and grievances will be included in the next reporting period (DY 21 Annual Report).

2. CCO and FFS appeals and hearings

During a recent update of reporting processes, OHA identified some data quality issues related to appeals that will likely require CCOs to resubmit their reporting for this period. A further analysis of this reporting period including the remaining appeal data will be included in the next reporting period (DY 21 Annual Report).

The following information on hearings is a compilation of data from 16 CCOs and fee for service (FFS).

During this quarter, OHA received 247 hearing requests related to the denial of medical, dental and behavioral health services, including Non-Emergent Medical Transportation (NEMT). Of those received, 229 were from CCO-enrolled members and 18 were from FFS members.

Two hundred thirty-nine[1] cases were processed and resolved. The table below shows the outcomes of these cases, some of which were decided after an administrative hearing.

OHA dismissed 136 cases that were determined not hearable. Of the not-hearable cases, 101 were forwarded to the member's respective CCO to process as an appeal. Per Oregon Administrative Rule, Oregon Health Plan (OHP) members must exhaust their appeal rights at the CCO level and receive notice of appeal resolution (NOAR) before they can request a contested case hearing at the state level. Hearing requests received by OHA prior to the appeal being exhausted are dismissed as not hearable with a letter to the member explaining their appeal rights through the CCO and their hearing rights after

[1] In every quarter there is an overlap between processed cases and those received. For instance, cases processed and resolved in April 2023 may be cases OHA received as far back as February and March of 2023.

receiving an NOAR. One case was dismissed as not hearable because the hearing request was not submitted within the timelines identified in the Oregon Administrative Rule.

Of the 103 cases that were determined to be hearable, 25 were approved prior to hearing. Members withdrew from 36 cases after an informal conference with an OHA hearing representative. Twenty-three cases were heard and ended with an administrative law judge upholding the OHA or CCO decision, and 17 cases were dismissed for the members' failure to appear. The administrative law judge heard and reversed the decision stated in the denial notice in one case.

Outcomes of Contested Case Hearing Requests Processed

Outcome Reasons	Count	% of Total
Decision overturned prior to contested case hearing	25	10%
Client withdrew request after pre-hearing conference	36	15%
Dismissed by OHA as not hearable	136	57%
Decision affirmed*	23	10%
Client failed to appear*	17	7%
Dismissed as non-timely	1	0%
Dismissed because of non-jurisdiction	0	0%
Decision reversed[2]	1	2%
Set aside	0	1%
Total	239	

* Resolution after an administrative hearing.

Related data

Reports will be included in the annual report.

[2] Resolution after an administrative hearing.

F. CCO activities

1. New Plans

Oregon awarded 15 CCO contracts under a procurement conducted in 2019. All of the CCOs are previously existing plans, one of which was approved to expand into two new service areas. CCOs began serving members under the terms of the new contract effective January 1, 2020.

One of the previously existing plans—Trillium Community Health Plan—had applied to continue in its historical Lane County service area and to expand into Clackamas, Multnomah and Washington counties (the Tri-County). OHA denied Trillium a notice to proceed in the Tri-County and gave until June 30, 2020, for Trillium to demonstrate a sufficient provider network in the Tri-County or that service area would be removed from its contract. On August 14, 2020, OHA approved Trillium's expansion into the Tri-County, effective September 1, 2020. This expansion was subject to a Corrective Action Plan (CAP) effective March 5, 2021; the CAP was closed on May 31, 2022.

2. Provider Networks

Nothing to report for this quarter.

3. Rate Certifications

Below are narrative and updates on rate certifications with CCOs. OHA pays CCOs to cover individuals eligible for Medicaid using capitation rates. Capitation rates set the levels of predetermined payments that depend on each individual's OHP eligibility status and are paid to CCOs on a monthly basis dependent on enrollment.

These capitation rates are developed and certified by OHA's contracted actuaries on a yearly basis. The process and methodology used to develop capitation rates are governed by federal and state regulations.

OHA has continued planning efforts around the HRSN services implementation for 2024. This includes refining the CCO contract language to allow non-risk payments and evaluating changes needed for the Medicaid Management Information System (MMIS) design. OHA is developing a survey to gather more information about fee schedules and cost data to inform the HRSN fee schedule.

CCOs submitted their completed Exhibit L's to OHA to begin the CY2024 rate development and data validation process. OHA met with each individual CCO to discuss the data validation process of the CCOs' financial data for their CY2023 rates. The purpose of these data validation meetings was to discuss the CCOs' financial data, the rate setting data, and the encounter data to cross-compare and ensure there is a consensus on the starting point of the base data. The discussions centered around encounter data validation and CY2022 financials.

In addition, OHA met with CCOs in June 2023 to discuss CY2024 rate development progress as well as the HRSN survey and templates which were released in August 2023. The CY2024 rates were delivered to CCOs in August 2023.

4. Enrollment/Disenrollment

All significant enrollment and disenrollment trends are discussed in other sections of this report.

5. Contract Compliance

There are no issues with CCO contract compliance other than as described in the Corrective Action Plans section.

6. Relevant Financial Performance

In 2021, the CCOs were required to file their financial statements based on Statutory Accounting Principles (SAP). This change from Generally Accepted Accounting Standards (GAAS) recognizes that CCOs are structured and operate similarly to the registered insurers that are also required to file statements based on SAP through the National Association of Insurance Commissioners (NAIC). The NAIC statements also provide an analysis of the member services ratio (MSR). This change, while important for the long-term analysis of CCO operations, also means that the historical comparative data is only available from the second quarter of 2020 onward.

CCOs achieved a statewide operating margin of 3.96% through the 12 months ending December 31, 2022. This is a strong margin, considering a third year of the Public Health Emergency caused by COVID-19. For the first three months of 2023, the reported operating margin is 3.21%.

CCO MSR is a key financial metric that calculates the cost of services a CCO provides to its members (this includes medical, behavioral, dental, and health-related services; reinsurance premiums and recoveries; and other adjustments) as a percentage of total revenue. A breakdown of key statewide financial ratios by year indicates that the member services component as a percentage of the payments that CCOs received has remained relatively consistent over the past two years.

Through the calendar year 2022, CCO spent an average of their premiums on member services using the SAP standards of 85.01%. Administrative costs of 10.84% were also reported for the 2022

calendar year. For the first three months of 2023, when member services expenses were calculated using SAP standards, the average medical loss ratio (MLR) was 86.42%, an increase of 1.41% from the prior calendar year. The administrative costs averaged 10.71%, a very small decrease from the prior calendar year.

For additional CCO financial information and audited financials, please follow the link below: http://www.oregon.gov/oha/FOD/Pages/CCO-Financial.aspx.

7. Corrective action plans

The Health Share of Oregon (HSO), Columbia Pacific CCO (CP CCO), and Jackson Care Connect CCOs did not require providers to use prior authorization for intensive in-home behavioral health treatment (IIBHT) services and were consequently non-compliant with the CCO contract and Oregon Administrative Rule. The start date of the CAP was February 16, 2023, and the CAP will remain in effect until OHA determines the CAP can be closed. The CCOs had to demonstrate that they established a prior authorization process for IIBHT services and provide evidence of compliant behavioral health policies and procedures, provider communications, and trainings regarding the process.

On March 3, 2023, the CCO appealed the Notice & Order by submitting a request for Administrative Review. After review, OHA decided that IIBHT services should not be subject to prior authorization, and enforcement of that requirement is therefore not warranted. On May 4, 2023, OHA provided notice to all CCOs and to providers of IIBHT services for fee-for-service members of the decision to remove this requirement from the 2024 CCO contracts and revise the applicable Oregon Administrative Rules. On May 10, 2023, the CAP was revoked.

8. One-Percent Withhold

OHA analyzed encounter data received for completeness and accuracy for the subject months finalized for September 2022 through November 2022.

The Health Systems Division within OHA analyzed encounter data received for completeness and accuracy for the subject months of September 2022 through November 2022. All CCOs except for one met the Administrative Performance (AP) standard for all subject months and no 1% withholds occurred.

G. Budget neutrality

OHA is unable to report on the current waiver's new Budget Neutrality Workbook template. The agency is working to have 1115 system configurations implemented by October 1, 2023, to align with the current waiver reporting requirements. However, system configuration data is dependent on other system change requests, including continuous eligibility (CE) indicators, and may not be ready by October 1, 2023. OHA hopes to submit the report by February 2024 with available data retroactive to the beginning of the waiver.

H. Legislative activities

The Oregon Legislature convened on June 25, 2023, with the passage of the state budget and several bills affecting the Oregon Medicaid program and the health of Medicaid members. Health

remains a top concern for legislative leaders. The funding increases in OHA's 2023 – 2025 budget and the major health bills that legislators passed underscore how much OHA and its programs will continue to be a focal point for legislators and the public throughout the next two years. Please see the summary table below outlining key legislation and the full OHA end-of-session 2023 Legislative Report here.

2023 Oregon Legislative Session Enrolled Bill Number	Bill Summary	OHA Division Implementation Lead	Impacts Related to the Medicaid Program and/or Medicaid Members
HB 2002 Enrolled	Modifies provisions relating to reproductive health rights. Modifies provisions relating to access to reproductive health care and gender-affirming treatment. Modifies provisions relating to protections for providers of and individuals receiving reproductive and gender-affirming health care services. Creates crime of interfering with a health care facility. Punishes by maximum of 364 days' imprisonment, $6,250 fine, or both. Creates right of action for person or health care provider aggrieved by interference with health care facility. Repeals criminal provisions relating to concealing birth. Declares emergency, effective on passage.	Public Health Division	This bill expands access to reproductive health and gender-affirming care (GAC) and establishes protections for those seeking and those providing care. It establishes further protections for groups that have been economically and socially marginalized regarding reproductive health and gender-affirming care.
HB 2107 Enrolled	Extends automatic voter registration to Oregon Health Authority in certain circumstances.	Health Systems Division	Directs OHA to work with the Secretary of State to develop a secure record-sharing process for people who are on OHP and eligible but not yet registered to vote in Oregon by June 1, 2026. If this process is eventually allowed by the Center for Medicare & Medicaid Services (CMS), it would increase the

			number of people who vote in Oregon elections and would expand representation, particularly for marginalized and rural community members who are not reached by County Clerk voter registration efforts.
HB 2278 Enrolled	Authorizes pharmacists to administer influenza vaccine to persons 6 months old or older.	Public Health Division	Expands the range of locations where young children can get a flu vaccine by lowering the age at which a pharmacist can administer the flu vaccine from 7 years old to 6 months old.
HB 2286 Enrolled	Relating to health care services provided to Native Americans. 100% Tribal federal medical assistance percentage (FMAP) Program.	Health Systems Division	Codifies the 100% Medicaid federal match for Federally Recognized Tribes, making it an established program in Oregon with resources that Tribes can depend on for health-related programs.
HB 2395 Enrolled	Omnibus opioid	Public Health Division and Health Systems Division	Increases access to the overdose reversal drug naloxone by adding law enforcement officers, firefighters and emergency medical services (EMS) providers as persons who may administer naloxone and distribute multiple kits to people who have experienced overdose or are at increased risk, as well as their family members. The bill would also allow minors to receive outpatient treatment for substance use disorders without parental consent, among other dispensing changes for pharmacies.

HB 2446 Enrolled	CCO contracts	Health Systems Division and Health Policy and Analytics	Extends CCO contracts by two years, delaying the next procurement process. This will free up resources for OHA and CCOs to implement several major initiatives, including OHP redeterminations, the 1115 Medicaid Waiver and the Basic Health Program, without needing to simultaneously work on new CCO contract procurement.
HB 2757 Enrolled	Expands and provides funding for coordinated crisis services systems including 9-8-8 suicide prevention and the behavioral health crisis hotline.	Health Systems Division	Creates a 40-cent tax on phone lines to fund the 9-8-8 crisis line and mobile crisis centers. Establishes a trust fund for the monies collected. This dedicated funding stream will ensure that people who are experiencing a mental health crisis can connect to counseling and support, 24/7, everywhere in Oregon. The tax sunsets in 2030.
HB 2994 Enrolled	Modifies requirements for health insurance coverage of hearing-related items and services. Requires Oregon Health Authority, through medical assistance programs, and Public Employees' Benefit Board and Oregon Educators Benefit Board, through health benefit plans offered by boards, to provide hearing-related items and services specified for health insurance coverage.	Health Systems Division and Health Policy and Analytics	Expands coverage of hearing-related equipment and services across health insurance programs including public employees' benefit board (PEBB)/Oregon educators benefit board (OEBB) and OHP. This will give all patients access to the assistive listening devices or other hearing technologies they need.
HB 3320 Enrolled	Imposes new requirements on hospitals with respect to financial assistance policies and processes. Requires Oregon Health Authority to impose civil penalties for violation of requirements.	Health Policy and Analytics	Changes existing hospital financial assistance regulations by requiring a hospital to pre-screen for financial assistance eligibility if the patient is uninsured, is a Medicaid beneficiary or owes the hospital at least $500. The bill specifies the criteria for a patient to apply for financial assistance and

			requires OHA to create rules for a presumptive eligibility screening process. Includes provisions to improve accessibility of financial assistance, which could greatly help low-income people seeking care in Oregon, bringing the state one step closer to eliminating medical debt, which disproportionately burdens people of color.
SB 232 Enrolled	Allows out-of-state physicians or physician assistants to provide specified care to patients located in Oregon. Clarifies that practice of medicine using telemedicine occurs where patients are physically located. Takes effect on 91st day following adjournment sine die.	Health Systems Division and Health Policy and Analytics	The bill will have a general and significant policy impact on access and availability to health services for patients with an established provider-patient relationship with providers out of state. This bill allows Oregon patients to access and maintain continuity of care with an established out-of-state provider, particularly specialists and other culturally and linguistically appropriate providers that are not readily available within the patient's service area.

I. Litigation status

Connecticut v. Generic Drug Manufacturers* and *Wisconsin v. Indivior

These are multi-state antitrust suits that include the state of Oregon in its enforcement capacity (not the agency specifically). Among other claims, the suits allege pharmaceutical manufacturers illegally colluded to raise prices on certain drugs. There is potential for recovery for the agency for purchases/reimbursements of the drugs at issue; the state is working with the agencies to collect the applicable data.

Sarepta Therapeutics Inc. v. OHA

This case concerns a petition for judicial review of OHA's prior authorization criteria, as set out in rule, for the prescription medication Exondys 51. The petitioner, Sarepta Therapeutics, Inc., argued that OHA exceeded its authority in adopting the criteria because the criteria conflicted with drug-coverage requirements under the federal Medicaid Act, specifically the Medicaid Drug Rebate Program. The parties submitted briefs regarding the validity of the prior authorization criteria, and the case was argued before the Oregon Court of Appeals on March 12, 2021. In April 2023, the Court of Appeals issued a decision affirming the validity of the prior authorization criteria for Exondys 51. The court

construed the applicable Medicaid Act provisions and held that OHA's prior authorization criteria for Exondys did not, on their face, contravene the Medicaid Act. Sarepta Therapeutics, Inc., has since petitioned that the Oregon Supreme Court take review of this case. A decision on whether the Oregon Supreme Court will undertake further review remains pending.

J. Public forums

During this quarter, updates regarding the 1115 waiver were provided in various public forums to continue to update partners and the community on implementation planning and milestones achieved. The following list of meetings included the 1115 waiver as an agenda item. Please note that this list is not exhaustive:

- Oregon Health Policy Board (OHPB): 4/4/23
    - 1115 Waiver Overview and Funding: Dana Hittle, Medicaid Director, OHA, updated OHPB on the 1115 Medicaid Waiver. Specific discussion topics included:
        - Overview of 1115 Medicaid Demonstration waiver and funding
        - Waiver implementation update
        - Community engagement and health equity implementation strategies
        - Questions from OHPB; no questions were asked
- Community Engagement Webinar: 4/5/23
    - OHP 1115 Medicaid Waiver 2022 – 2027: Jessica Deas, Community Engagement Manager, Community Partner and Outreach Program, presented on the following topics with the goal of increasing awareness about the waiver. This webinar was in English and Spanish. Specific discussion topics included:
        - Medicaid and waiver overview
        - What is changing
        - Timeline
        - Community feedback
        - Next steps and evaluation of webinar on awareness of waiver
            - Informed next steps (future webinars and development steps) with questions asked and community feedback received, developed FAQ document on public website, encouraged continued options for asking questions
- Community Engagement Webinar: 5/3/2023
    - OHP 1115 Medicaid Waiver 2022 – 2027: Jessica Deas, Community Engagement Manager, Community Partner and Outreach Program, presented on the following topics with the goal of increasing awareness about continuous eligibility. This webinar was in English and Spanish. Specific discussion topics included:
        - Health equity and community engagement
        - Overview of OHP and Medicaid in Oregon
        - Special rules during the COVID-19 Public Health Emergency unwinding
        - Continuous eligibility overview and timeline
        - Feedback and questions

- Informational Meetings in the House Committee on Behavioral Health and Health Care: 1115 Waiver 5/15/23
    - OHP 1115 Medicaid Waiver Overview: David Baden, Interim Director, and Dana Hittle, Medicaid Director, OHA, presented an overview of goals of the new waiver and newly approved waiver authorities that need to be implemented; high-level timeline for implementation of each benefit change; development process and timeline; known challenges to benefit implementation and risks to the timeline; how external partners will be engaged during the development process; and when and where more information about how the program design is progressing will be released.
- Community Engagement Webinar: 6/7/2023
    - OHP 1115 Medicaid Waiver 2022 – 2027: Jessica Deas, Community Engagement Manager, Community Partner and Outreach Program, presented on the following topics with the goal of increasing awareness about the waiver implementation timeline. Specific discussion topics included:
        - Health equity and community engagement
        - Overview of Medicaid and waiver in Oregon
        - Updated waiver implementation timeline
        - Feedback and questions

IV. Progress toward demonstration goals

This section contains updates regarding major components of the CMS-approved waiver. The format for this section will evolve when CMS guidance regarding a reporting template is made available.

Continuous Eligibility for Adults and Children

Oregon received approval via 1115 Demonstration waiver to expand continuous eligibility (CE) policy provisions as follows:

- All children who are eligible and approved for OHP prior to turning 6 years old will remain continuously eligible through the end of the month of their 6th birthday, or for 24 months, whichever is later.

- Individuals over age 6 who are eligible and approved for OHP will remain continuously eligible for 24 months.

In Q2 of 2023, Oregon continued Joint Application Design (JAD) sessions to design Oregon Eligibility (ONE) system changes to support the CE policy. OHA/Health Systems Division (HSD) and Oregon Department of Human Services (ODHS)/Aging and People with Disabilities (APD) worked in partnership to build system functionality that applies the CE policy to both Modified Adjusted Gross Income (MAGI) and non-MAGI program recipients.

Collaboration with CMS partners continued as needed to refine policy details as questions arose during JAD sessions.

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In May 2023, OHA worked with ODHS to begin providing informational webinars about upcoming policy changes with community partners who assist OHP applicants and recipients in the community. The ONE system design was finalized and submitted, and system development and testing began.

In June 2023, informational webinars for community partners and providers were created and presented. ONE system changes progressed to User Acceptance Testing (UAT). Additionally, Oregon Administrative Rules (OARs) reflecting updated CE policies were filed.

Expand Medicaid Eligibility and Benefits for Youth with Special Health Care Needs (YSHCN) up to Age 26

Design of first steps toward YSHCN eligibility expansion implementation continued in Quarter 3 (April – June 2023), including these highlights:

- Bringing together "Discovery Sessions" of key cross-agency partners to talk about purpose of YSHCN and identify areas for development and collaboration.
- Beginning regular convening of internal systems teams (ONE IE, MMIS, Mainframe) to map out technological pathways to coverage and care.
- Further definition of CMS-approved eligibility pathways:
    - Health care diagnostic and utilization data: youth with pre-existing OHP coverage who have history of diagnosis or utilization defined by the Pediatric Medical Complexity Algorithm (PMCA) or behavioral health diagnostic codes are automatically eligible for YSHCN coverage.
        - Design of project and work plan for behavioral health diagnostic codes work group to determine eligible behavioral health diagnostic codes.
    - Diagnosed with disability through Office of Development and Disability Services (ODDS) automatically eligible for YSHCN coverage.
        - Beginning of collaboration with ODDS colleagues to develop pathway for enrollment.
    - Affirmative responses to two questions in a screener.
        - Development of contract with Oregon Center for Children and Youth with Special Health Needs (OCCYSHN) to manage eligibility screening design.

Expand Access to Supports That Address Health-Related Social Needs

The recently approved waiver includes authority to establish a series of time-limited services to help address eligible members' HRSN, including nutrition, housing, and specific state or federally declared climate events (e.g., wildfires, extreme temperatures). Case management related to these new services is an additional component of the approved waiver.

As is the case with all states' governor transitions, adequate time and attention must be taken at the beginning of the term to solidify agency leadership and establish expectations related to policy priorities and decision-making processes. During this quarter, OHA experienced leadership change. James Schroeder, who had been appointed Interim Director in December 2022, left office in February 2023. At that point, Dave Baden, the agency's Chief Financial Officer, was appointed Interim Director. The relatively short tenure of Director Schroeder included a series of organizational changes to 1115 waiver management relative to the approach of the previous administration. Upon his departure,

additional organizational changes were made. This series of events did not affect work on CMS deliverables related to waiver implementation, but it did have an effect of delaying the establishment of a permanent decision-making structure related to components of the waiver's programmatic framework and community and systems engagement strategies. While this will not have long-term effects on waiver implementation, it did affect the progress of some activities during the quarter.

To undertake this work in an organized and efficient manner, a series of workstreams were established with participation from subject matter experts representing OHA, ODHS, and Oregon Housing and Community Services (OHCS). Staff from Manatt Health supported designated workstreams, as did members of OHA's project management team and Strategic Action Team. In this quarter, the proposed HRSN Infrastructure protocol was developed and submitted for approval. Additionally, in this quarter, OHA began the development of the HRSN Service protocol and the New Initiatives Implementation Plan.

Designated State Health Programs

To date, Oregon has received approval for 15 programs to claim federal financial participation as Designated State Health Programs (DSHP).

In June 2023, OHA submitted a revised Claiming Protocol to move one program from Program Group A to Program Group B. OHA also responded to several follow-up questions from CMS on the submitted programs.

Alignment with Tribal Partners' Priorities

Of note, there are several areas of 1115 waiver authority of specific interest to American Indian/Alaska Native beneficiaries that have not yet been approved by CMS. Specifically, two proposals remain outstanding, and a negotiation timeline has not been identified:

- Enable the Special Diabetes Program for Indians (SDPI) to be converted to a Medicaid benefit.
- Allow Tribal health care providers to receive reimbursement for the provision of Tribal-based practices.

Biweekly meetings between OHA Office of Tribal Affairs and the Medicaid Director inform representatives of that office of new policy and operational developments. These meetings provide an opportunity for members of the Tribal Affairs team to indicate specific topical areas in which they would like to engage, and also to inform their team's regular updates to Tribal leaders. As implementation planning proceeds, formal Tribal consultation will occur for all topics identified as appropriate by Tribal leaders.

In this quarter, HRSN services and Tribal members' journeys will continue to be informed by ongoing discussions at the pace and structure requested by the Tribes.

V. Appendices

A. Quarterly enrollment reports

1. Statistical Enrollment Data System (SEDS) reports

Attached separately.

2. State-reported enrollment table

Enrollment	April / 2023	May / 2023	June / 2023
Title XIX-funded state plan Populations 1, 3, 4, 5, 6, 7, 8, 12, 14	1,318,248	1,326,815	1,334,141
Title XXI-funded state plan	142,678	140,840	140,505
Title XIX-funded expansion Populations 9, 10, 11, 17, 18	N/A	N/A	N/A
Title XXI-funded expansion Populations 16, 20	N/A	N/A	N/A
DSH-funded expansion	N/A	N/A	N/A
Other expansion	N/A	N/A	N/A
Pharmacy only	N/A	N/A	N/A
Family planning only	N/A	N/A	N/A

3. Actual and unduplicated enrollment

Ever-enrolled report

POPULATION			Total number of clients	Member months	% Change from previous quarter	% Change from previous year
Expansion	**Title XIX**	Poverty Level Medical (PLM) children FPL > 170%	N/A	N/A	N/A	N/A
		Pregnant women FPL > 170%	N/A	N/A	N/A	N/A
	Title XXI	SCHIP FPL > 170%	61,715	167,707	1.55%	-21.61%
Optional	**Title XIX**	PLM women FPL 133% – 170%	N/A	N/A	N/A	N/A
	Title XXI	SCHIP FPL < 170%	143,851	11,804,455	-0.89%	5.82%
Mandatory	**Title XIX**	Other OHP Plus	231,614	20,185,110	2.11%	17.15%

		MAGI adults/children	1,027,631	89,472,622	1.55%	6.27%
		MAGI pregnant women	20,005	1,533,790	-2.96%	5.14%
		QUARTER TOTAL	1,484,816			
** Due to retroactive eligibility changes, the numbers should be considered preliminary.*						

OHP eligible and managed care enrollment

OHP Eligible*		Coordinated Care				Dental Care	Mental Health
		CCOA**	CCOB**	CCOE**	CCOG**	DCO	MHO
April	1,377,853	1,288,296	69	63	12,472	77,051	N/A
May	1,386,863	1,297,641	65	66	12,341	77,252	N/A
June	1,391,620	1,301,032	66	65	12,128	77,950	N/A
Quarter average	1,385,445	1,295,656	67	65	12,314	77,418	N/A

** Total OHP eligibles include Temporary Assistance for Needy Families (TANF), presumptive eligible with or without Medicare (GA), PLM-Adults, PLM-Children, MAGI Adults/Children, MAGI Pregnant Women, Old Age Assistance (OAA), Blind, Disabled and General Assistance Client (ABAD) CHIP, foster care (FC) and foster care and sub-adoptive care (SAC). Due to retroactive eligibility changes, the numbers should be considered preliminary.*
*** CCOA: Physical, dental and mental health; CCOB: Physical and mental health; CCOE: Mental health only; and CCOG: Mental and dental health.*

B. Complaints and grievances

Additional information will be included in annual report.

C. CCO appeals and hearings

Additional information will be included in annual report.

D. Neutrality reports

Budget monitoring spreadsheets are attached separately.