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Federal Rules and Upcoming Changes to Oregon Health Plan

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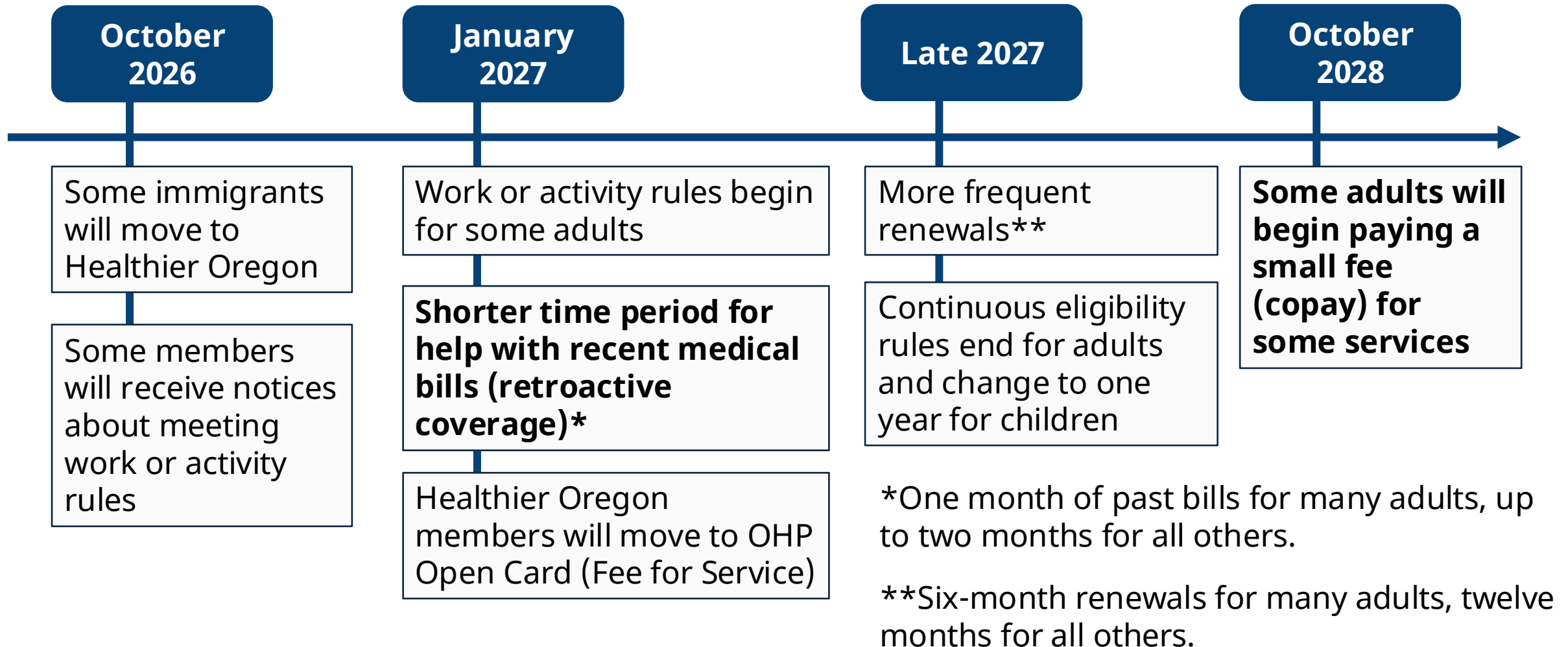
New federal rules require major changes

House Resolution 1 (HR1) and other federal guidance introduced new federal rules that require major changes to Oregon Health Plan.

Some of these changes include:

- **Introduction of work or activity rules, screening and exemptions and qualifying activities**
- **Changes to non-citizen eligibility**
- **Changes to retroactive coverage**
- **Introduction of copayments**
- **More frequent renewals**
- **Changes to provider taxes and state**
- **directed payments**
- **Changes to the Oregon Health Insurance Marketplace**
- **Changes to Supplemental Nutrition Assistance Program (SNAP)**
- **Non- HR1 changes: Healthier Oregon transition**

Timeline of Changes to Oregon Health Plan (OHP)





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HR1 Work or Activity Rules: Screening and Exemptions

OHP work or activity rules



Starting in January 2027



Applies to some adults ages
19 through 64

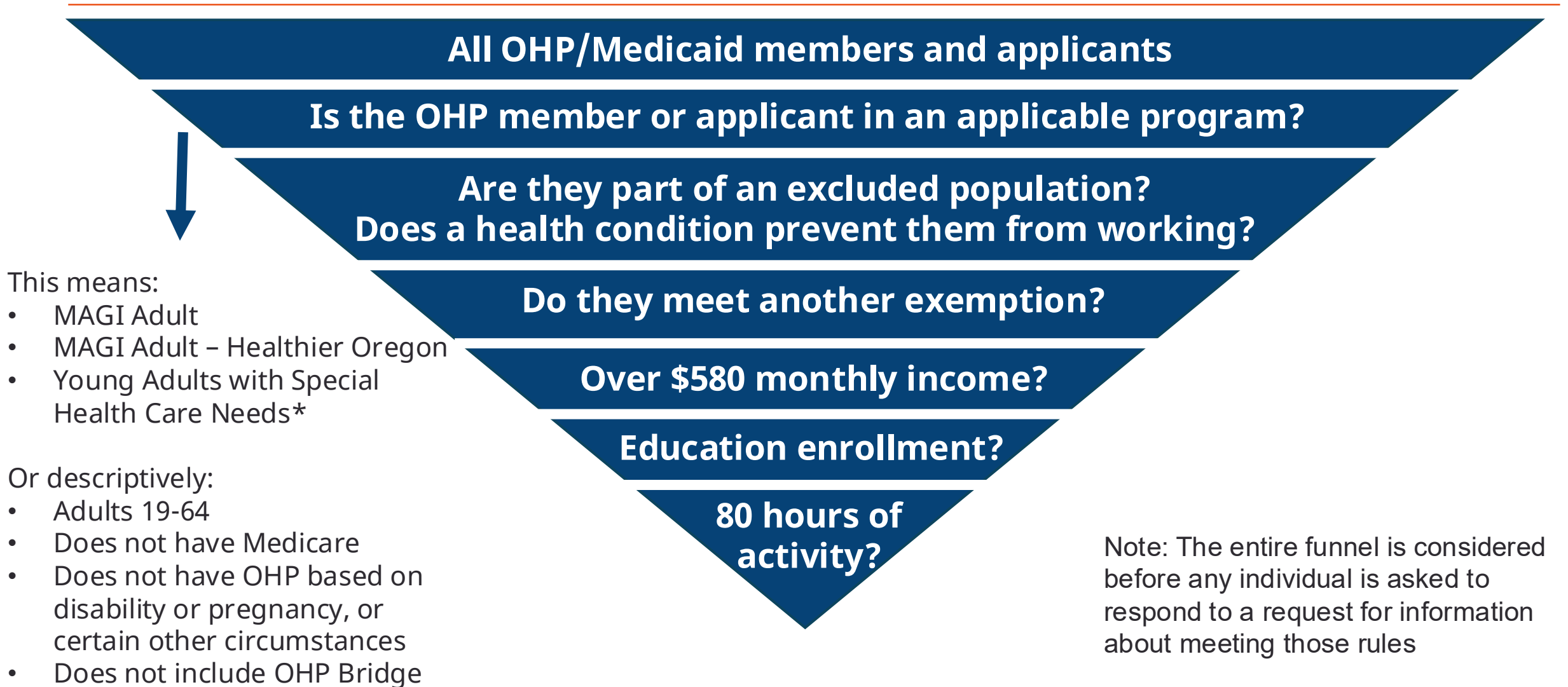


Does not apply to OHP
programs based on
disability, pregnancy, or
Medicare

**When some adults apply or renew, they
will be reviewed for:**

- One of many exemptions, or
- Qualifying activity (one or in combination)
 - Work
 - Volunteering
 - Education or training

Work or activity rule screening steps



Two categories of exemptions for OHP work or activity rules

OHA is required to draw distinctions between these two categories:

1. **Work or activity rules do not apply to certain populations.** These exemptions are called “specified exclusions” in federal policy.
2. People who work or activity rules apply to may **have reasons they do not need to meet the rules.** These reasons are called “exceptions” in federal policy.

OHA is trying to focus on the actions needed by the member rather than the policy terms. For this reason, we use “exemption” to include both exclusions and exceptions.

Who does NOT need to meet work or activity rules?

OHP members or applicants who:

- Care for a child under 14 or someone with a serious or disabling health condition
- Are pregnant, or had OHP while pregnant in the prior 12 months
- Get SNAP and work rules apply, or already meet work rules for TANF
- Are American Indian/Alaska Native
- Are blind or have a serious or disabling health condition, this includes veterans with a total disability rating
- Have an alcohol and drug use disorder or are in treatment
- Left foster care at age 18 and are now 19-26
- Are in jail or prison

Who does NOT need to meet work or activity rules?

OHP members and applicants who:

- Recently turned age 19
- Spent at least one week away from home to get health care for themselves or a dependent, or missed time in work or school to help a dependent while they traveled for health care
- Were admitted overnight as a patient in a hospital or other care facility, or received critical care in home or another setting
- Were on certain other OHP programs before their renewal (not subject to work rules)
- Recently got out of jail or prison
- Lived in an area with a federally declared disaster or high unemployment rate
- Are entitled to or receiving Medicare Part A, or are enrolled in Medicare Part B



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HR1 Work or Activity Rules: CMS Interim Final Rule Update

6/1/2026 CMS Interim Final Rule (IFR) – Overview

What have we learned?

- Limited options for self-attestation in 2028 and beyond
- Strict rules for volunteering
- Most medical exemptions need to prevent someone from working
- Required changes to language to distinguish between excluded and excepted individuals, which OHA refers to as exemptions

What needs further clarification?

- How to comply with some of the medical exemption requirements
- Allowable verification for some medical exemptions and other exemption types

What is Oregon Health Authority doing now?

- Awaiting final CMS guidance on how to define and operationalize medical exemptions.
- Working to make revisions to align more closely with the Interim Final Rule.
- Oregon has joined 25 other states in litigation that we cannot make such significant changes to our planned processes by 1/1/2027.

What is a serious or disabling health condition?

A serious or disabling health condition is a “physical, mental, or other behavioral health condition that **significantly impairs** the individual’s ability to comply” with the work or activity rules.

- Federal policy and people in community may refer to these conditions as “medical frailty,” but OHA does not use this phrase because of its untrue and pejorative connotation.
- The CMS Interim Final Rule (issued 6/1/2026) added the additional requirement of significant impairment, such as preventing working part-time, which has added confusion and complication.
- Remember: most people with Medicaid who can work are working.

What are examples of serious or disabling health conditions?

Oregon Health Authority will provide more information about definitions and proof needed in the coming months when additional CMS guidance is provided.

What we know:

- There are many types of health conditions that may qualify:
 - Receive Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI)
 - Have temporarily disabling conditions: major surgeries (cardiac bypass) or injuries (fractures), illnesses (pneumonia), hospitalization or care facility for complicated conditions (mental health, substance use disorder, physical, intellectual disabilities)
 - Have serious or long-term conditions: dialysis, chemotherapy or radiation, Crohn's disease, chronic obstructive pulmonary disease (COPD), major depressive disorder, substance use disorders
 - Require frequent monitoring or treatment: diabetes with complications, cystic fibrosis
 - Have life-long conditions: trisomy 21, cerebral palsy

Automatic verification

- Oregon must rely on automated verification processes to the extent possible
- When medical exemptions cannot be automatically verified:
 - Self-attestation will be allowed through 2027 without need for additional external verification
 - In 2028 members with help from their clinicians or community partners may need to submit documentation



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HR1 Work or Activity Rules: Qualifying Activities

Ways to meet OHP work or activity rules

Starting January 2027, some adults ages 19 – 64 who do not qualify for an exemption will need to meet OHP work or activity rules by showing one of the following:

Income:

Gross household income of more than \$580 per month

OR

Education enrollment:

Enrolled in high school, a GED program, or at least half-time in higher education

OR

Hours: At least 80 hours monthly of work, education, training programs, or unpaid work like volunteering

\$580 is under 40 hours at minimum wage in Oregon

Qualifying activity updates: Unpaid work

- Unpaid work can include activities like volunteering, caregiving, unpaid work being traded for housing or other needs
- Along with work, education, volunteering and training programs, you may see caregiving or other unpaid work mentioned in the list of activities that can be combined to reach 80 hours
- Note: Caregiving for someone under age 14 or with serious disabling health condition of any age is still an exemption
 - To qualify for an exemption based on caring for someone who is **not** a relative and who does **not** live in the same home, a person must provide **at least 80 hours** of care per month
 - If they provide **less than 80 hours of care per month**, their hours can be considered as “unpaid work” and be combined with other qualifying activities to reach 80 hours

Qualifying activity update: Volunteering

- June guidance on qualifying volunteer activity was more restrictive than expected
- New requirement: Volunteer activities that involve supporting or opposing any political party, candidate, or political beliefs cannot be counted for work or other activity rules.

What volunteer activities count?

- Needs to be a structured program that benefits the community/a civic or public need
- The public or nonprofit organization must provide oversight of the activity and have a process in place to track the community service completed by individuals, including:
 - the type of community service activity
 - dates and hours the community service is completed
 - a point of contact who can confirm the hours completed

OHA will provide more guidance and resources for nonprofits in upcoming months.



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Healthier Oregon Changes

About Healthier Oregon and Open Card

Healthier Oregon is a mostly state-funded program that allows Oregon to offer full Oregon Health Plan (OHP) coverage, regardless of immigration status.

OHP Open Card, also known as Fee-for-Service or FFS, is one of the ways members can be covered.

Some members have OHP Open Card, some members are covered by a coordinated care organization (CCO), and some members are covered through a mix of both.

Federal changes affecting Healthier Oregon

There are three key changes that will affect some non-citizens:

- 1 Some non-citizens will move to Healthier Oregon**
- 2 Healthier Oregon members will transition from CCOs to OHP Open Card**
- 3 New work or activity rules will apply to some Healthier Oregon members**

Federal changes affecting Healthier Oregon

1 Some non-citizens will move to Healthier Oregon

HR1 requires some adult OHP members with certain non-citizen statuses to move to Healthier Oregon from other OHP programs **October 1, 2026**.

- This will affect adults with the following immigration statuses:
 - Refugee,
 - Asylee,
 - Amerasian-Vietnamese (born in Asia during Vietnam war whose father is a US citizen)
 - Humanitarian parolees, including from Afghanistan and Ukraine, and
 - Survivors of domestic violence and human trafficking

In Oregon, affected members will keep full OHP benefits.

Federal changes affecting Healthier Oregon

2 Healthier Oregon members will transition from CCOs to OHP Open Card

The Centers for Medicare & Medicaid Services (CMS) released a new interpretation of an existing federal rule that state programs like Healthier Oregon cannot be administered through coordinated care organizations (CCOs).

Starting in January 2027, Healthier Oregon will use the OHP Open Card provider network instead of coordinated care organizations.

Healthier Oregon members covered through Open Card will **continue to have the same covered benefits, but the network** of health care providers that members can seek health care from **may be different**.

Federal changes affecting Healthier Oregon

3 New work or activity rules will apply to some Healthier Oregon members

Because of HR1, many adult Healthier Oregon members must meet the new federally required work or activity rules starting January 2027.

Some members ages 19 to 64 years old will need to complete work or other qualifying activities – such as work, go to school, be in job training, or volunteer.

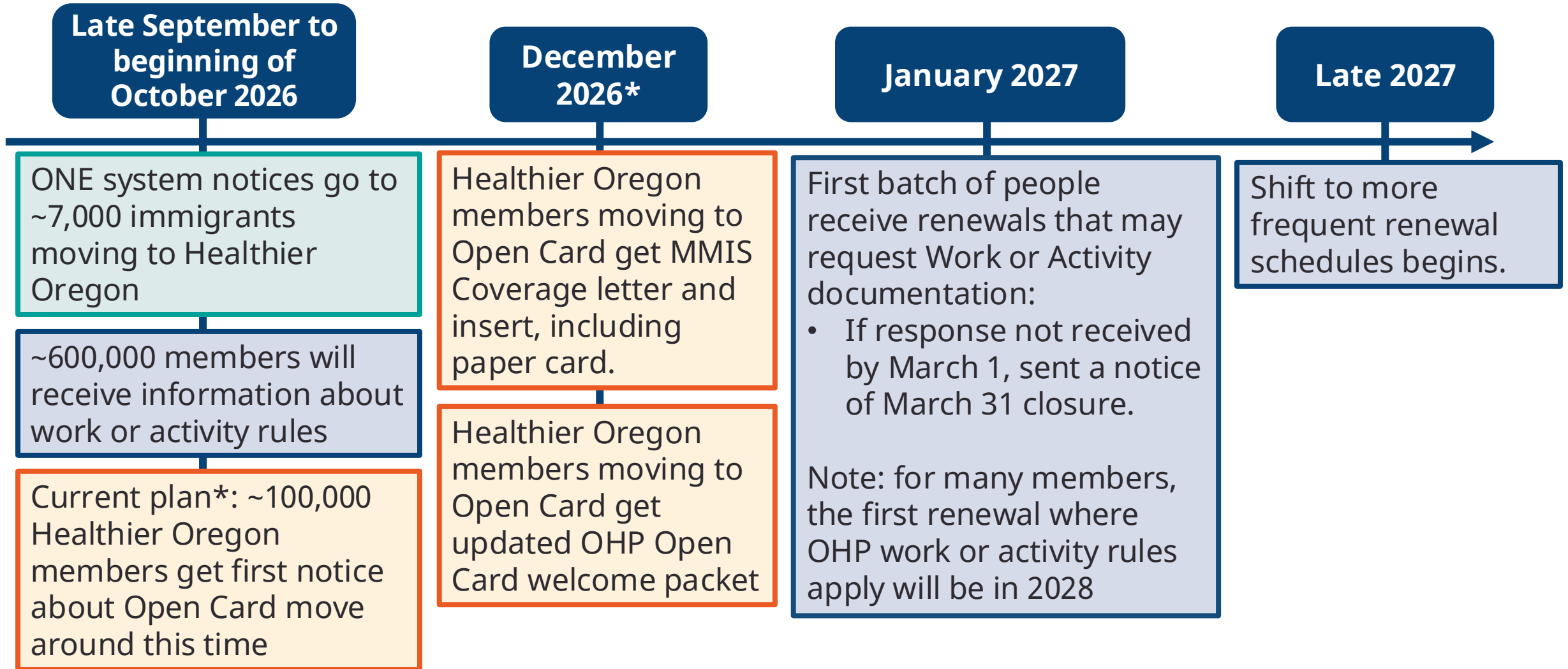
Many members will qualify for exemptions that mean they do not need to meet the rules.



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Member Outreach

Affected OHP members will receive several notices



Outreach notices

- Over 600,000 members will get informational notices about work or activity rules in late September
 - Federal requirement: to include all people on applicable programs, even those who will be exempt.
- May be more than a year before the member's next renewal; case-specific renewal date is listed in the letter.

ORCA High Performance Knowledge Repository
ONE Customer Service Center Date
PO Box 14215
Salem, OR 97309

ORCA Case ID: 1111111111

OREGON DEPARTMENT OF Human Services

OREGON HEALTH PLAN

Member Name
Address
City, State, Zip

New OHP Rules Begin 01/01/2027

Hello << Case Name >>

Oregon Health Plan (OHP) work or activity rules begin January 1, 2027. These new federal rules are required by the House Resolution 1 law. One or more people in your household may need to meet the rules to keep their OHP in 2027 or later.

What you need to know:

- The rules say **certain adults on OHP must have an exemption, work, go to school or volunteer** to keep their OHP. They apply to people who:
 - Are 19 through 64 years old
 - Are not pregnant
 - Don't have Medicare
 - Don't get Supplemental Security Income (SSI)
- At your renewal, we will check if you are exempt or meet the rules with information we already have. We will send you a letter if we need more information. If you don't meet the rules, your OHP could end, and you might not be eligible for help paying for a Marketplace health insurance plan.

What you can do now:

- Check if you do not need to meet the rules. Exemptions are listed on a [following page](#).
 - If you are exempt, we may ask you for proof for at least one of the six months before your next renewal <<on MMDD/YYYY>><<in 2028>>
- If you are not exempt, make sure you meet the rules in at least one of the six months before your next renewal <<on MMDD/YYYY>><<in 2028>>
- Tell us about activities or exemptions in your ONE online account. Keeping your information updated will help make your next renewal easier.
- If you need help finding a job or volunteer work, visit <placeholder URL>

Meet the OHP work or activity rules by:

- Having a monthly household income of at least \$580 per month before taxes and deductions.

For help call 1-800-896-8875 or 711 (TDD) or visit [https://benefits.oregon.gov](#)

Footer Step
Footer Code
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Footer Name

Learn more at
<<https://OHP.Oregon.gov/HR1>>

The OHP work or activity rules

- Care for a child under 14 any age with a serious or health condition.
- Are pregnant or were pre 12 months.
- Get SNAP and work rules already meet work rules
- Are American Indian or Alaska Native

The rules apply to you, but

- Recently turned age 19.
- Spent at least one week home to get health care dependent, or you missed school or job activities to dependent while they train care.
- Were admitted overnight a hospital or other care facility received critical care or surgery in another setting.
- Were enrolled in certain other OHP programs before your renewal.



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More Frequent Renewals

More frequent renewals



Starting in late 2027



Some adults will renew every six months



All other OHP members will renew once per year

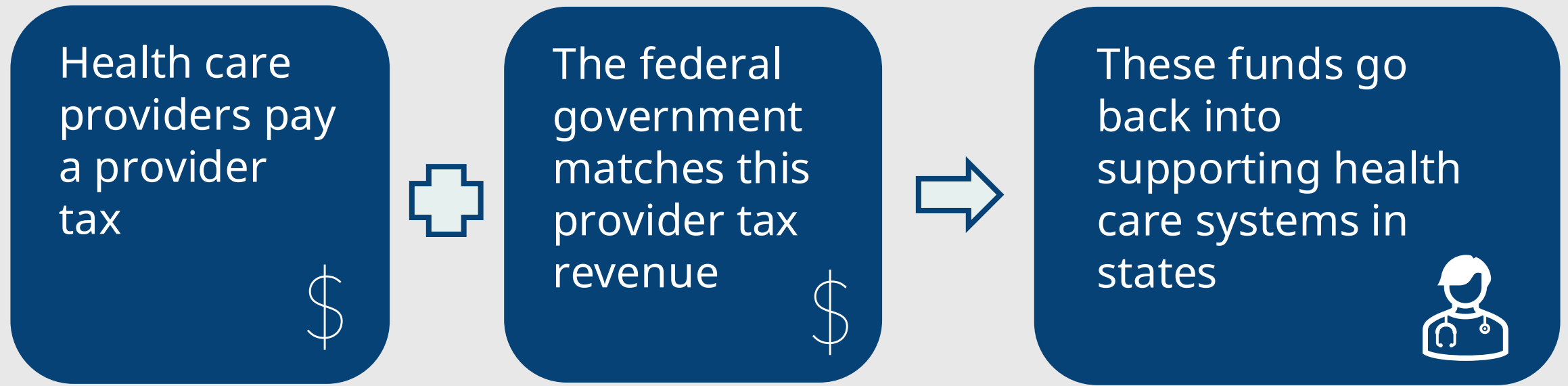
- Currently, most OHP members renew every two years.
- The federal government will require more frequent Oregon Health Plan (OHP) renewals.
- More frequent renewals increase **churn**, the process of rotating on and off Medicaid.
- A greater number of people in Oregon will be uninsured.



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Provider Taxes and State Directed Payments

About provider taxes and state directed payments



- ↓ The federal government is **reducing** the amount states are allowed to tax providers.
- ↓ As a result, Oregon is projected to see a **loss** of \$12 billion in revenue over the next ten years.

HR1 changes to provider taxes and state-directed payments

▶ No new provider taxes

- **July 4, 2025:** the federal government will not allow for any new provider taxes or increases beyond current rates, ending the use of new provider taxes as a tool to fund Medicaid

▶ Step down of existing taxes

- **October 1, 2028:** gradual reduction of the maximum tax rates, stepping down from 5.5% of revenue from provider taxes and the federal match in fiscal year 2028 to 3.5% by fiscal year 2032



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How to Stay Informed

For members: How to keep your coverage

Keep your contact info up to date so OHP can reach you when it is time to renew.

How to get help

- For questions about renewals, or to report changes:
Call 800-699-9075, go to Benefits.Oregon.gov, or [visit your local ODHS office](#).
- For questions about using benefits:
[Contact your coordinated care organization \(CCO\)](#).
OHP Open Card members contact 800-562-4620
If you don't know if you have a CCO, call OHP client services at 800-273-0557.
You can also learn more at OHP.Oregon.gov/Benefits

How partners can stay informed

- Visit the HR1 web page: OHP.Oregon.gov/HR1
- Attend ODHS | OHA Forward Together [bi-monthly partner webinars](#)
- Via [CCO weekly update](#), [OCHE community partner update](#), [Provider Matters](#), or [Oregon Health News](#) newsletters
- Participate in Healthier Oregon transition work sessions for CCOs, partners, and providers:
- Participate in Healthier Oregon transition work sessions for CCOs, partners, and providers:
 1. **Provider Network Development: 2nd Tuesday 2-3pm**
https://www.zoomgov.com/meeting/register/n6_CaAm2RVm5wfFXOsBL5A
 2. **Engaging Healthier Oregon Members: 3rd Tuesday 2-3 pm**
<https://www.zoomgov.com/meeting/register/UwLOMD-sTKOvOOlaOSC9cQ>
 3. **CCO -> Open Card Transition: 4th Tuesday 2-3 pm**
https://www.zoomgov.com/meeting/register/f1V_ZakLTouQhyS5kHJV5A

How to stay informed

Web page: Oregon Health Plan Changes Coming Soon

[OHP.Oregon.gov/HR1](https://www.oregon.gov/oha/HR1)

Newsletter: Oregon Health News

www.oregon.gov/oha/erd/pages/oregon-health-news.aspx

Social Media

- Instagram: [@oregonhealthauthority](https://www.instagram.com/oregonhealthauthority)
- Facebook (English): [facebook.com/OregonHealthAuthority](https://www.facebook.com/OregonHealthAuthority)
- Facebook (Spanish): <https://www.facebook.com/OHAespanol/>
- LinkedIn: [linkedin.com/company/oregon-health-authority](https://www.linkedin.com/company/oregon-health-authority)



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Thank you!