Summary: Oregon's 2022-2027 1115 Waiver Renewal Application

Introduction

On February 18, 2022, Oregon submitted a 2022-2027 1115(a) Demonstration Waiver renewal application to the Centers for Medicare and Medicaid Services (CMS). Oregon's application will continue foundational elements of the Oregon Health Plan (OHP) with a substantial focus on addressing health inequities in our state, while maintaining our commitment to achieving universal coverage and delivery system reforms that promote high-quality care while containing costs.

COVID-19 laid bare the deep and abiding inequities that permeate our health care system and our society. We believe that focusing on eliminating health inequities, as well as clearly aligning with other health policy initiatives in our state, will allow us to meaningfully improve health outcomes in communities who face historic and contemporary injustices.[1] OHA's updated goals and improvements for the state's Medicaid program build on our past successes and reflect what we've learned from our experience with COVID-19.

Background

Oregon's 1115(a) Demonstration began in 1994 and has been renewed and improved since. The 2012 renewal launched coordinated care organizations (CCOs), which provide care to Medicaid members through a service delivery model designed to address problems stemming from a fragmented health system.

CCOs are paid a fixed monthly budget for physical, behavioral, and oral health services with flexibility to address members' needs outside traditional medical services. This budget also includes financial incentives for improving outcomes and quality. In 2016, Oregon's renewal expanded this effort by focusing on upstream investment in social determinants of health through Health-Related Services (HRS) that allow CCOs flexibility to pay for non-medical services that improve health.

Despite Oregon's achievements through the coordinated care model, Oregon can and must do better in serving the people most harmed by health inequities in Oregon. Oregon Health Plan members and community partners have consistently reported the need for OHA to

[1] These communities include, but are not limited to, Oregon's nine federally recognized tribes and Tribal communities; Latino/a/x, Black/African American, Asian, Pacific Islander, and American Indian/Alaska Native populations and other communities of color; people with disabilities; people with limited English proficiency; and immigrants and refugee communities.

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address health inequities in both the health system *and* the communities where members live and work.

Policy priorities

Maximize continuous and equitable access to coverage

Oregon's most recent statewide health survey showed that, between 2019 and 2021, the state's insured rate rose from 94% to 95.6%, the highest rate on record. Additionally, the insured rate for Black Oregonians rose from 92% to 95%. This change is largely a result of the continuous coverage provided to Medicaid members during the COVID-19 public health emergency—proving the importance of the Medicaid program in reducing churn and improving health equity.

It is only with continuous and equitable coverage that people can get the care they need. People of color and communities who face systemic barriers based on historical inequities have lower coverage rates. The renewal's approach includes two-year continuous enrollment for adults, five-year continuous enrollment for children until age 6; and expanded coverage for people in Oregon experiencing periods of transition.

In the short term, OHA is working diligently to develop options for OHP members who, at the end of the public health emergency, will no longer be eligible for OHP.

Improve health outcomes by streamlining life and coverage transitions

Data show people often lose coverage and access to care during life transitions and in transitions between systems, like being released from the criminal justice system or the state hospital. People face interruptions in access to essential behavioral and physical health services during these transitions, which come at great cost to the person and to the system. Moreover, these transitions disproportionately affect people of color and are a significant source of health inequity. By providing specific benefit packages that address meeting social needs like housing to members in transition, Oregon can better ensure people stay covered, have important social determinants of health needs met and maintain access to care and medicine, which ultimately improves health outcomes.

Move to a value-based population payment

Compared to other states, Oregon has generated significant federal and state savings from our approach to Medicaid. Our coordinated care model is both innovative and cost-effective. To maintain and build on our successes, Oregon must continue to build a payment system that rewards spending on health equity, social determinants of health and improving the overall health of Medicaid and CHIP beneficiaries, rather than spending on medical procedures and services alone.

Incentivize equitable care

The coordinated care model is built on incentivizing quality and access. Over the last decade, Oregon has proven that paying for performance works. While quality payments have helped incentivize quality improvement, significant inequities in quality and outcomes remain.

OHP members and community members tell OHA that equity must be the focus across the system going forward. OHA proposes revising metrics to focus not only on traditional quality and access for downstream health while also creating a new set of equity-driven performance metrics for upstream health factors, Oregon can make significant progress in driving the system toward more equitable health outcomes.

Improve health through focused equity investments led by communities

The system can do more to invest in the community-based approaches that address social determinants of health that drive health inequity. In order to address health inequities, Oregon must shift decision-making, power and resources to communities that face inequities.

The state is requesting to make equity-focused investments that redistribute resources and decision-making power to the community itself. In order to support community-driven investments in health equity and development of essential financial and data infrastructure for community-based organizations providing these services, Oregon is requesting that CMS authorize federal financial participation (FFP) for designated state health programs (DSHP).

Oregon is not proposing to use DSHP resources to fund the core Medicaid program or backfill a budget challenge. Instead, the state is proposing that new, state-only health investments made by the Legislature in recent years are DSHP-eligible and that the new federal resources can be used by communities affected by historical injustices, specifically to address health inequities.

Oregon's focus on community-driven investments in health equity can better address larger scale barriers to improved health, lower costs and health equity if this request is approved.

Alignment with Tribal partners' priorities

Oregon is committed to working with the nine federally recognized Tribes in Oregon and the Urban Indian Health Program (UIHP) to identify mechanisms to achieve Tribal health care objectives while honoring traditional Tribal practices and upholding the government-to-government relationship between the sovereign nations and the state. Through partnership with the Tribes and the Tribal Consultation and Urban Indian Health Program Confer, we have developed policies that improve health outcomes for Tribal members in the state.

Other renewal requests:

Oregon has asked to keep in place many features of the current 1115(a) Demonstration including:

- The Prioritized List of Health Services and Health Evidence Review Commission;

- The coordinated care model and physical, behavioral, and oral health integration;
- Coordinated Care Organizations serving members within their local communities;
- Value-based payment methodologies;
- Commitments to care quality and access;
- Community Advisory Councils; and
- Tribal engagement and collaboration protocol for CCOs and OHA.

Importantly, Oregon will not seek a renewal of the longstanding waiver around Early Preventive Screening, Diagnosis, and Treatment (EPSDT) for children. The decision comes in the wake of clear feedback from the community, advocates, children's service organizations, and other interested parties. Oregon will continue to base OHP benefits on the Prioritized List of Health Services, however, the state will arrange for, and make available to children, all medically necessary services that are required for treatment of conditions identified as part of an EPSDT screening.

Similarly, in line with the current practice of allowing retroactive eligibility, Oregon will not be seeking to renew the waiver that would permit the denial of retroactive coverage.

Finally, based on the feedback received from interested parties, OHA removed its request for a closed formulary from the final application.

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