kaiser commission on medicaid and the uninsured

THE HENRY J. KAISER FAMILY FOUNDATION

MEDICAID FACTS

OREGON SECTION 1115 WAIVER

Status as of July 2004

- Submitted May 31, 2002 and approved October 15, 2002
- FHIAP refinancing/expansion implemented November 1, 2002
- OHP Plus expansion for pregnant women/children implemented February 1, 2003
- Some existing beneficiaries moved into OHP Standard on February 1, 2003
- State legislature eliminated some benefits for OHP Standard beneficiaries effective March 2003
- Copayments eliminated for OHP Standard beneficiaries on June 19, 2004, following a court ruling
- Enrollment closed for individuals eligible for OHP Standard on July 1, 2004

Overview

Oregon's approved waiver amendment allows the state to reduce costs by reducing coverage and capping enrollment for some people covered under its existing section 1115 waiver, the Oregon Health Plan (OHP). It also allows the state to use SCHIP funds[1] to expand Medicaid eligibility to some children and adults, depending on availability of state funding, and to refinance and expand a state-funded premium assistance program. The amended program, called OHP2, has three categories of coverage:

- "OHP Plus" serves most previously eligible beneficiaries and newly eligible children and pregnant women (with incomes between 170-185% of poverty). (These individuals may choose to participate in FHIAP instead, see below.) There are no premiums; some beneficiaries pay copayments. Benefits are the same as previously approved OHP benefits,[2] but the state can make further reductions through a new "streamlined" CMS approval process. These reductions could affect children's services because the state's EPSDT requirement has been waived.
- "OHP Standard" serves some previously eligible parents and other adults with incomes below poverty. Under the waiver, the state gained authority to increase eligibility, cap enrollment, increase premiums and cost sharing, and reduce benefits for this group. To date, the state has not expanded eligibility. Enrollment in OHP Standard is currently closed. Beneficiaries pay increased premiums[3] and are disenrolled for failure to pay. They were charged increased copayments for most covered services, but these copayments were eliminated following a court ruling. Under the waiver, the state reduced benefits for OHP Standard beneficiaries and gained authority to further reduce benefits without CMS approval. The state has significantly reduced benefits since the waiver was approved. OHP Standard eligibles who have access to employer-sponsored insurance (ESI) must enroll in FHIAP (see below).
- "FHIAP", a previously state-funded program which subsidizes the purchase of ESI and non-group insurance, has been refinanced with SCHIP and Medicaid funding and expanded from an upper income limit of 170% of poverty to 185% of poverty.[4] The state can limit enrollment in FHIAP based on available funding. Subsidized insurance must meet or exceed a benchmark adopted by the state's Insurance Pool Governing Board; the benchmark is developed based on an evaluation of benefits and cost sharing found in the state's small group insurance market. The state may make changes to the benefit and cost sharing benchmarks without CMS approval, so long as the benchmark equals or exceeds a level actuarially equivalent to federally mandated Medicaid benefits.

Individuals Covered By Waiver

	Eligible for "OHP Plus"	Eligible for "OHP Standard" (Subject to an enrollment cap)	Eligible for "FHIAP" (Subject to an enrollment cap)
Eligible Prior to Waiver	• Children & pregnant women 0-170% FPL • SSI recipients (0-74% FPL) • GA adults (0-43% FPL) • Parents receiving TANF (0-52% FPL)	• Parents 0-100% FPL • Other adults 0-100% FPL (excluding those receiving TANF or GA) (OHP Standard eligibles must enroll in FHIAP if they have access to ESI.)	• OHP Plus eligibles who choose FHIAP • Parents 0-100% FPL • Other adults 0-100% FPL (excluding those receiving TANF or GA)
Newly Eligible Under Waiver	• Children & pregnant women 170-185% FPL	(State can expand eligibility to 185% FPL, but expansion has not been implemented) (OHP Standard eligibles must enroll in FHIAP if they have access to ESI.)	• Children & pregnant women 170-185% FPL who choose FHIAP • Parents & other adults 100-185% FPL (Those 100-170% FPL were previously eligible for state-funded program.)

TABLE NOTES: GA is General Assistance; Other adults include aged, blind, and disabled adults whose incomes exceed SSI levels (74% FPL).

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Premiums/Enrollment Fees, Benefits, and Cost Sharing Under Waiver[5]

(This table shows coverage and cost sharing for a selected list of benefits; other benefits not shown on this list may also be covered.)

	"OHP PLUS" (State's basic Medicaid benefit package)		**"OHP STANDARD" (Reduced Medicaid benefit package)**		**"FHIAP" (Premium Assistance)**
Premiums/ Enrollment Fees	None		0-100% FPL: $6-$20 per person per month, based on income (For 100-185% FPL, who could be phased in, $23-$125 per person per month.)		Subsidized coverage must meet or exceed these benchmarks: -If there is a pre-existing condition waiting period, it must not exceed six months, -The lifetime maximum benefit must be at least $1,000,000, and -The plan must cover 20 specific required benefits, but there are no requirements for the scope or duration of the covered benefits. Cost-sharing is allowed up to: -$500 deductible per individual, -$2,500 maximum out-of-pocket per individual or $10,000 stop-loss (for services other than prescription drugs), and -25% of prescription drug costs with no out-of-pocket maximum on drug costs.
Groups Exempt from Cost Sharing	Managed care beneficiaries (for all services provided by their health plan), children, pregnant women, institutionalized individuals, and American Indians/Alaskan Natives.		American Indians/Alaska Natives		
Benefits and Cost-Sharing	**Covered**	**Benefit Limits & Copayments/Coinsurance[6]**	**Covered**	**Benefit Limits & Copayments/Coinsurance**	
Inpatient Hospital	✓		✓	$250 per admission **Copay eliminated per court ruling**	
Outpatient Hospital	✓	$3 per visit	✓	$20 for each outpatient surgery $5 for other outpatient services **Copays eliminated per court ruling**	
Emergency Room	✓		✓	$50, waived if admitted **Copay eliminated per court ruling r**	
Physician Services	✓	$3 per visit Emergency and family planning services exempt from copays	✓	$5 per visit $5 for medical/ surgical procedures **Copays eliminated per court ruling**	
Lab and X-ray	✓		✓	$3 per lab or x-ray **Copay eliminated per court ruling**	
Ambulance	✓		✓	$50 **Copay eliminated per court ruling**	
Non-emergency Transportation	✓				
Home Health Care	✓	$3 per visit	✓	$5 per visit **Copay eliminated per court ruling**	
Long-term Care	Not part of waiver		Not part of waiver		
Prescription Drugs	✓	$2 for each generic drug $3 for each name brand drug	**Coverage eliminated effective March 2003 and then restored through June 30, 2003**		
Mental Health and Chemical Dependency	✓	$3 per visit No copay for dosing/dispensing and case management	**Coverage eliminated effective March 2003**		
Durable Medical Equipment	✓		**Coverage eliminated effective March 2003**		
Dental	✓	$3 per visit	**Coverage eliminated effective March 2003**		
Vision	✓	For adults, exams & eye-glasses limited to one per 24 months. $3 per visit			
Hearing	✓	$3 per visit			
PT, OT, SLP	✓	$3 per visit	✓	$5 per visit **Copay eliminated per court ruling**	
Other Provisions			Individuals are disenrolled for at least 6 months if they cannot pay premiums.		

TABLE NOTES:
Information on the state's basic Medicaid program for adults from State Plan on file with CMS (http://www.cms.gov/medicaid/stateplans/map.asp) and the state's provider guides (http://www.omap.hr.state.or.us/providerinfo/provguides/welcome.html).
L = Limits in amount, scope, or duration of benefit as compared to state's basic Medicaid benefit package.
PT = Physical Therapy, OT = Occupational Therapy, SLP = Speech Language Pathology Therapy

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[1] SCHIP funds will be used to the extent they are available; if SCHIP funds are insufficient to support the expansion and premium assistance program, matching funds will shift to Medicaid, subject to federal budget neutrality restrictions.
[2] Under OHP, a "prioritized" list of benefits are covered; the prioritized list ranks health services from the most important to least important based on the comparative benefit to the population served (see: http://www.ohppr.state.or.us/hsc/index_hsc.htm).
[3] Current beneficiaries served by OHP Standard paid premiums in OHP; under OHP2, premiums increased for some beneficiaries.
[4] FHIAP will seek to distribute funds equally between group and non-group coverage. Because the existing program primarily subsidized non-group coverage, FHIAP will first expand group coverage enrollees. After group and non-group coverage equalizes, some individuals will receive subsidies for non-group coverage purchased through approved carriers.
[5] Premiums, benefits, and cost-sharing levels represent those outlined in the waiver proposal for initial implementation, as amended by actions passed in by the state legislature. The state can further benefits in the future; only reductions to "OHP Plus" will require CMS approval.
[6] Copayments for "OHP Plus" were not subject to waiver approval; they were approved by the state legislature for current OHP beneficiaries (effective January 2003) and are allowed under federal Medicaid rules.

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