

# Medicaid Provisions Federal Budget Reconciliation

June 3, 2025



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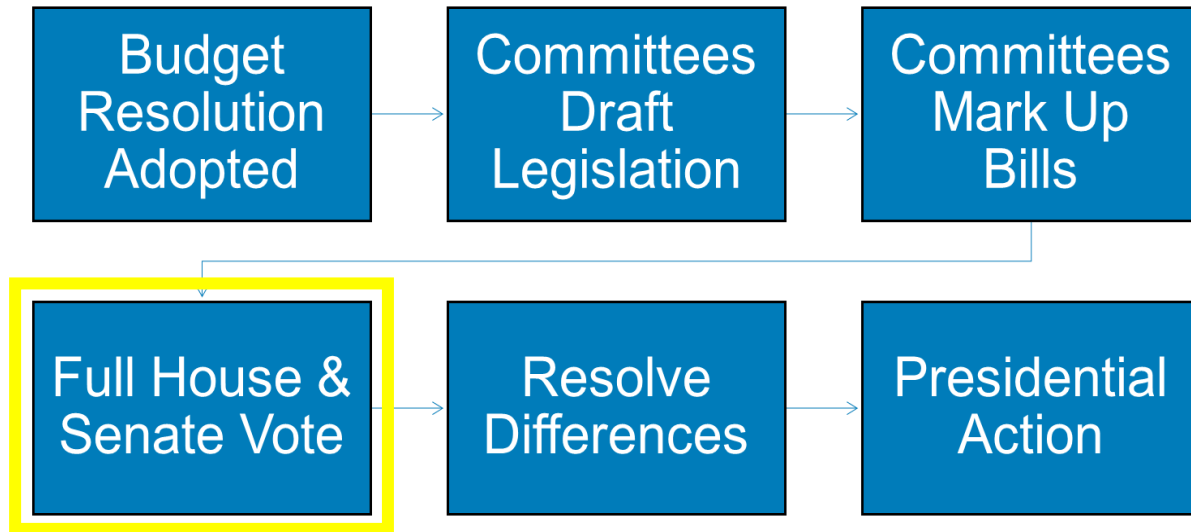
# Topics

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- What is “Budget Reconciliation”
- Budget Reconciliation Process Steps
- Key Impacts of House-passed legislation
- Questions

# Federal Budget Reconciliation Bill

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## What is Budget Reconciliation?

- Special legislative process to fast-track budget-related bills
- Not subject to Senate filibuster — passes with simple majority
- Can modify mandatory spending programs like Medicaid

## Timeline

- **May 22:** House passes **One Big Beautiful Bill Act (H.R. 1)**.
- **May 23:** Senate begins deliberations, subject to parliamentary rules.
- **Upcoming:** House must approve any changes made by Senate.

# Reconciliation Bill

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## Key Impacts and Effects on Oregonians

# Fewer People Insured

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## Today

- Nearly 97% of Oregonians have health insurance.
- 1.4 million Oregonians rely on the Oregon Health Plan.
- Includes seniors who rely on Medicaid-funded nursing home supports, and 1 in 3 children and individuals with caregiving needs
- Oregon's high coverage rate has been a **multi-decade, bi-partisan project**

## Under Federal Proposal

- New federal mandates introduce complex eligibility rules
- Increased paperwork for OHP members
- Higher administrative costs for Oregon
- Thousands of OHP members could lose health care coverage

# Impact to Health Care Statewide

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## Today

- Medicaid payments support hospitals, clinics, and providers.
- Over 50% of patients at Federally Qualified Health Centers are on Medicaid.

## Under Federal Proposal

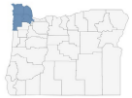
- Fewer people enrolled in Medicaid would result in increased uncompensated care and reduced payments to providers and the broader health care system.
- Could result in at least **\$1 Billion in Medicaid cuts** to Oregon in the 2027-2029 biennium which may lead to reductions in coverage, benefits and provider benefit rates.
- Risk of reduced access to care, longer wait times, and clinic/hospital closures.

# Impact to Rural Health Care

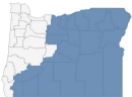
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## Today

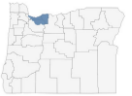
Percent of Congressional District enrolled in OHP:



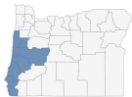
**District 1: 34%**



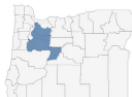
**District 2: 42%**



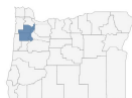
**District 3: 38%**



**District 4: 34%**



**District 5: 29%**



**District 6: 31%**

## Under Federal Proposal

- Many rural Oregonians would lose coverage.
- Impact hospitals and clinics that rely on Medicaid for reimbursement to operate.
- More expensive for taxpayers
- More difficult to access care for all Oregonians.

# Work Requirements

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## Under the Federal Proposal

- States must verify 80 hours of work activities at application and renewal.
- Mandatory for individuals ages 19 to 64 in Medicaid expansion adult group starting December 31, 2026.
- Could be required to fill out paperwork every six months to prove meeting work requirements.

## Effects on People in Oregon

- Up to **462,000 Oregonians**, many of whom already work, could face additional red tape to keep their health care coverage.
- A variety of external analyses estimate between **100,000 and 200,000 Oregonians could lose Medicaid coverage** due to challenges demonstrating compliance with the work requirements and other policies.
- Could cause **losses of \$718 Million to \$1.4 billion per year, or \$8 billion to \$16 billion over the next 10 years** to providers/reimbursable services



# Increased Eligibility Checks

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## Today

- Children on OHP are covered from birth to age 6 for health, dental and behavioral health care.
- Adults receive 2 years of continuous coverage, providing stable care and early treatment.

## Under Federal Proposal

- Eligibility checks required every 6 months
- More than 580,000 Oregonians would face more frequent reviews
- Increases paperwork and administrative burden
- Risk of losing coverage despite being eligible

# Mandatory Copays

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## Today

- Oregon has not charged any cost sharing since January 1, 2017.
- Copays of any dollar amount can be detrimental for Medicaid patients, preventing patients from getting needed medical care or consistent access to their prescription drugs.

## Under Federal Proposal

- **Mandatory copays for Oregonians could reduce access to care** and shift costs to members and health care providers.
- States could prohibit providers from refusing care to Medicaid members, but the presence of copays could still lead to Medicaid members delaying care.
- Oregonians could delay care, face worse health outcomes, and later necessitate costlier care.
- Increases paperwork and administrative burden, disproportionately on safety net providers and FQHCs.

# Defunds Planned Parenthood

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## Today

- Oregon law protects the right to abortion without restrictions
- Planned Parenthood provides critical, statewide access to reproductive health care

## Under Federal Proposal

- Medicaid funding would be banned for Planned Parenthood clinics
- Could lead to clinic closures in Oregon
- Tens of thousands could lose access to birth control, cancer screenings and abortion care
- Rural communities at higher risk due to existing provider shortages.

# Prohibits Services

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## Today

- Oregon law requires OHP and private health insurance plans to cover medically necessary gender affirming care.
- Care decisions are made between patients and their health care providers.

## Under Federal Proposal

- Medicaid funding would be banned for gender-affirming care for all ages
- Private insurers would no longer be required to cover this care
- Puts access to life-saving treatment at risk for more than 7,000 Oregonians.

## In summary

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- Many of the Congressional proposed policies focus on reducing enrollment in Medicaid through increased burden on enrollment and staying enrolled
- Reduced Medicaid enrollment could significantly impact OHP members, health care providers, and all people in Oregon
- Oregon has worked for decades to maintain coverage to improve health and improve the financial sustainability of the health care system, barriers to enrollment run counter to those goals

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# Questions?

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