

**Executive Summary of:  
Progress Report to the 2017 Oregon Legislature**

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Consideration of Increasing Access to Affordable,  
High-Quality Health Care with Section 1332 Affordable Care  
Act Waiver or Alternative Strategies

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As directed by Section 2, Subsection (1) of House Bill 4017 (2016), the Department of Consumer and Business Services (DCBS) established a subcommittee of the Marketplace Advisory Committee to consider issues preventing Oregonians from receiving quality affordable health care, and to determine if a 1332 waiver would be useful in resolving those issues.

The subcommittee also considered — as instructed by House Bill 4017 — ways to meet objectives of the Basic Health Program. The Legislature’s instructions permitted the subcommittee to frame those recommendations either within or outside of the 1332 waiver structure.

## 1332 Waivers

Under Section 1332 of the Patient Protection and Affordable Care Act (ACA), a state may apply for a waiver for specific sections of the ACA to provide better insurance coverage or care to its residents. Waivers can modify the individual or employer mandates, benefits or subsidies, Qualified Health Plan (QHP) certification, or role of the exchange in eligibility determination and enrollment. A 1332 waiver must protect consumers by maintaining coverage levels at the same or greater benefit and affordability levels as those that existed before the waiver, must provide coverage to at least as many consumers, and cannot increase the federal deficit.

To apply for a waiver, states must submit an application to the Department of Health and Human Services (HHS) and the Department of the Treasury. States must ask for public comment before submitting an application and after HHS and Treasury deem the application complete. The application will be accepted or rejected within 180 days after application is deemed complete.

## Issues Preventing Access to Affordable Health Care in Oregon

The subcommittee discussed a number of issues that may prevent Oregonians from receiving affordable, high-quality health care. Many of these issues affect consumers with incomes less than 200 percent of the federal poverty level (FPL), and include issues identified in DCBS’s [response](#) to the [Oregon Basic Health Program Study Findings](#) prepared by Wakely Consulting Group and the Urban Institute.

The subcommittee identified possible strategies to resolve these issues, such as expanding the subsidy model used for the Marketplace’s Compact of Free Association (COFA) program. Such a model would cover all lawfully present individuals with incomes of less than 138 percent FPL who are subject to the five-year ban on Medicaid eligibility. Other strategies included increasing the quality of QHPs by including coordinated care model characteristics, increasing outreach to help individuals navigate the differences between bronze plans and silver plans with cost-sharing reductions, and helping families that are paying substantially more for employer-sponsored coverage than their counterparts in the individual market.

## HB 4017 Subcommittee Recommendations

At this time, the subcommittee recommends that Oregon not pursue a 1332 waiver, due to the lengthy application process and uncertainty about future federal health care reforms. Many of the strategies suggested by the subcommittee can be implemented without a 1332 waiver. The usefulness of a 1332 waiver should be re-evaluated in the future when new federal guidance is available.

The subcommittee recommends the Marketplace begin working with insurance carriers to increase the use of the coordinated care model in QHPs. The subcommittee also recommends the Marketplace expand outreach and education to consumers who may be at risk for purchasing a bronze plan when they would be better served by a silver plan with cost-sharing reductions.

The subcommittee’s full Progress Report to the 2017 Oregon Legislature is available online at <http://healthcare.oregon.gov/Documents/1332-report.pdf>.