

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers - Reinsurance Waiver Annual Report

Reporting Instructions: Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on paragraph 10 of your specific terms and conditions (STC), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked “if applicable,” please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft annual reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE:

A. GRANTEE INFORMATION		
1. Reporting Period End Date Dec 31, 2020	2. Report Due Date Apr 30, 2021	3. Report Submitted On (Date) Apr 28, 2021
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency 1 SIWIW18003-01-00	6a. DUNS Number 809579451	6b. EIN 93-0952020
7. Recipient Organization Name Oregon Department Of Consumer and Business Services		
Address Line 1 350 Winter Street NE		
Address Line 2 Division of Financial Regulation		
Address Line 3		
City Salem	State Oregon	Zip Code 97301
Zip Extension 3881	8. Grant Period Start Date Jan 1, 2018	9. Grant Period End Date Dec 31, 2022
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)		

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B. REPORT CERTIFICATION
<p>11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.</p>
<p>11a. Typed or printed name and title of Authorized Certifying Official Kirsten L. Anderson, Acting Deputy Administrator of Operations Department Of Consumer and Business Services Division of Financial Regulation</p>
<p>11b. Signature of Authorized Certifying Official</p>
<p>11c. Telephone (area code, number, and extension) (503) 507-2454</p>
<p>11d. E-mail address Kirsten.L.Anderson@Oregon.Gov</p>
<p>11e. Date report submitted (month/day/year) Apr 28, 2021</p>
C. PROGRESS OF SECTION 1332 WAIVER - <u>General</u>
<p>12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.</p> <p>During the 2020 program year, the Oregon Reinsurance Program (ORP) conducted two public events for the citizens of Oregon. The first event was the Healthcare Claim Seminar, which updated the public on the current parameters according the Oregon Administrative Rules (OAR 836-150-0040). These rules are updated to ensure that budgets stabilize the program. Second, the Public Forum, which announced the Federal funding for the upcoming program year. The ORP has maintain a robust enrollment of 172,125 lives both on and off the individual market for 4 quarters. Next, effective, January 1, 2020, HB 2010 increased the assessment on premiums derived from health benefit and including Stop-Loss plans* to 2 percent on 4 rolling quarters. Both of these changes are effective for "[t]he period beginning on January 1,2020 ending December 31. 2025."</p> <p>Coverage and Affordability For the 2020 program year, the individual market is serving 36 counties with seven insurers. Carriers expanded their service area by 9 additional counties, increasing on- and off- exchanges offerings by 18 total changes. The ORP continues to help stabilize the market as well. It consistently lowers the rates by at least 6 percent a year.</p> <p>ORS 742.065 defines and establishes requirements for "insurance against the risk of loss assumed less than fully insured employee health benefit plan." As used in the bulletin, the terms, 'Stop loss insurance"</p>

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and “Stop loss policies” refer to the type of insurance described in ORS 742.065.

13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails, and plans for and results of associated corrective actions. After the first year, only report on changes and/or updates, as appropriate.

First, Oregon has completed a Letter of Intent to continue the PPACA 1332 State Innovation Waiver for an additional 5 years (2023 to 2027). Oregon has not made any operational changes during the 2020 program year.

Second, the Oregon Secretary of State conducted an audit of the DCBS Oregon Reinsurance Program. The result of the audit found no matters that required a management response but did include two recommendations. First, the audit did recommend that the department implement controls for verifying suspension and debarment as the terms and conditions of the federal award require the department to consult the ineligible parties list and ensure organizations under funding consideration are not ineligible. While the audit recognized that we did consult the ineligible parties list to verify that the recipient organizations were not suspended or debarred prior to disbursing funds, the audit noted that we did not retain documentation of the verification results. As a result, the audit included a recommendation that we implement a written procedure to verify vendors under funding consideration are not ineligible and retain documentation of the verification.

The second recommendation related to improving controls over federal financial reporting. The audit recommended that department management maintain effective controls over federal awards to ensure quarterly reports are complete, accurate, and supported by adequate documentation. While the audit found that all of the 2020 fiscal year quarterly reports were accurate, none of the quarterly reports reviewed had adequate supporting documentation according to the audit and the quarterly reports are submitted to the federal reporting website without independent review. Again, while the reports were correct, the audit recommended we improve our documentation and have an independent review of the data before it is submitted.

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D. PROGRESS OF SECTION 1332 WAIVER - State-Specific		
14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1)		
	Value	Comments (if applicable)
a. Actual individual market enrollment on the Exchange in the state	127,447	1,539,374 Member Months
Actual individual market enrollment off the Exchange in the state	47,299	567,592 Member Months
b. Actual average individual market premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$550.54	
Actual average individual market premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$607.45	
c. Actual Second Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year old non-smoker) in each rating area	(See attached Exhibit A, Column A)	
Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year old non-smoker) in each rating area	(See attached Exhibit A, Column B)	
d. For states with State-based Exchanges , actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year	N/A	
e. For states with State-based Exchanges , actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.	N/A	

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15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.

Oregon's Reinsurance PPACA 1332 State Relief and Empowerment Waiver does not impact the scope of benefits covered in relation to our Essential Health Benefits (EHB).

16. Describe any changes to the state-operated reinsurance program, including changes to the funding level the program will be operating at for the next plan year, any changes to the approved payment parameters for reinsurance program reimbursement or changes to eligibility criteria for enrollees' claims to be reimbursed under the program.

Funding for the 2020 Budget year (2019 Program Year) totaled \$94.5 million. The actual audited healthcare claims from the seven health insurers from the Oregon Health Insurance Marketplace totaled \$87,286,034. For the 2019 Budget Year the ORP is scheduled to payout \$95.4 million. The eligible payment parameters for the health cares claims attachment points set at, \$90,000.00 up to \$1 million at a coinsurance rate of fifty percent. The Federal Pass-Thru Funding for the 2019 program year awarded \$41,845,226 to DCBS.

17. Describe any changes in state law that might impact the waiver and the date(s) these change occurred or are expected to occur.

No changes occurred during this program year.

18. Report on spending:

	Value	Comments (if applicable)
a. Amount of Federal pass-through funding spent on individual claim payments to issuers from the reinsurance program	\$41,845,226	Reimbursement paid-out December, 2020
b. Amount of Federal pass-through funding spent on operation of the reinsurance program	\$0	Operational expenses are from State (OR) funding
c. Amount of any unspent balance of Federal pass-through funding for the reporting year	\$0	Total Claims amounted to \$87,286,034
d. Amount of state funding contribution to fully fund the program for the reporting year	\$52,654,774	Combined funding totaled \$94.5 million

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19. If applicable, provide a claims breakout at an aggregate level for the top 5 conditions or cost drivers of the 5 conditions, including settings of care in the individual market.

This question does not apply; Oregon covers all essential health benefit claims in-line with ORP parameters.

20. If applicable, report on any incentives for providers, enrollees, and plan issuers to continue managing health care cost and utilization for individuals eligible for reinsurance.

21. If applicable, report of any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high cost risk adjustment program.

	Value	Comments (if applicable)
a. Reinsurance payment (before reconciliation) for high-cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool	\$0	N/A
b. Risk adjustment amount paid by HHS for those claims	\$0	N/A
c. Reinsurance reconciliation (or true-up) amount applied	\$0	N/A

E. POST-AWARD FORUM

22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?

Yes

No

23. State website address where Post-Award Forum was advertised

<https://dfr.oregon.gov/business/reg/health/Pages/oregon-reinsurance-program.aspx>

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24. Date Post-Award Forum took place

October 22, 2020

25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received and actions taken in response to concerns or comments.

The Post Award Forum took place virtually from the the Labor & Industries Building at 350 Winter Street NE in Salem, Oregon. The meeting began with an overview of the ORP. The Agency provided digital access to materials including the ORP overview and slide show on the ORP website. No foreign translator nor sign-language professional were requested. The presenters panel consisted of DCBS/Division of Financial Regulation's actuarial, policy, and insurance institutions staff, ORP Program Manager, and Deputy Director of Operations. Once the slide show presentation concluded, the Agency held a question and answer session.

The question session centered on the healthcare claims verification process.

There were no other comments.

26. Other Attachments (attach other documents as needed pertaining to Post-Award Form)

F. STATE INTERNAL IMPLEMENTATION REVIEW - ATTESTATION

27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).

Yes

No

28. Describe the state's implementation review process.

The ORP produces four quarterly reports, one Annual report, and one Pass-Through Funding Report in accordance to 31 CFR 33.012 and 45 CFR 155.1320(b). These reports are submitted, to CMS/CCIIO on a timely basis. In relation to these reports, ORP responds to all notices for review and follow-up from CMS/CCIIO.

Administratively, ORP has Laws in place including House Bill (HB) 2010 (2019), HB 2391 (2017) and OAR 836-150-0010 through -0060, which are used to implement the program.

Operationally, ORP has periodic meetings throughout the year to address the functionality of the claims process, auditing, accounting, policy measures, funding, and both public and private outreach to ensure that we maintain a high level of transparency. In addition, ORP uses both in-house and external actuaries to model the various trends that occur with SLCP rates, enrollment, provider service coverage and Funding.