

Oregon Reinsurance Program 1332 extension and post award forum

July 21, 2022

Time: 1:00PM ~3:00 PM PST

Session will be Recorded



The Department of Consumer and Business Services



Oregon's largest
business regulatory
and consumer
protection agency.

DCBS Divisions:

- Building Codes Division
- Division of Financial Regulation
- Oregon Health Insurance Marketplace
- Oregon OSHA
- Workers' Compensation Board
- Workers' Compensation Division

Background

- O.L. (2017/2019) c.538 §18-25 Established the Oregon Reinsurance Program*
- Purpose:
 - Stabilize rates and premiums in individual market
 - Spreads risk of high-cost claims among all insurance companies
 - Helps fund Oregon's Medicaid Program

* [Authorized by the Department of Health and Human Services and U.S. Treasury, and Center for Medicare and Medicaid Services – Center for Consumer Information and Insurance Oversight](#)

Purpose- PPACA 1332 State Relief and Empowerment Waiver

- Provide more affordable private market coverage
- Encourage sustainable spending growth
- Foster innovation
- Support and empower those in need
- Promote consumer-driven healthcare

Oregon 1332 waiver

- **Helps fund the reinsurance program**
- **Allows carriers to set rates (High cost claims)**
- **Pass-through of federal savings**
 - **Savings from reductions in federal spending on premium tax credits (\$107.7 Million 2022)**

Structure

- Attachment point model:
 - Reimburse qualifying Insurers a percentage of claims paid on behalf of Individual enrollee
 - Attachment point and cap
 - Coinsurance rate

Administrative Rules

DCBS adopted ORP rules on Jan. 1, 2022:

- Attachment range \$92,000 to \$1 million
- Coinsurance 50%

Oregon 1332 waiver- Pass-Through Funding

Pass-through funding:

- 2018 - \$54,482,113
- 2019 - \$41,845,226
- 2020 - \$54,408,157
- 2021 - \$73,723,375 (ARPA Funding)*
- 2022 - \$71,278,130 (ARPA Funding)**

* [American Rescue Plan Act 2021-2022](#)

** [APRA 2022 Funding](#)

ORP projected annual budget

Projected per year:

- 2018 - \$90 million
- 2019 - \$95.4 million
- 2020 - \$101.8 million
- 2021 - \$107.8 million
- 2022 - \$107.7 million

DCBS financials for 2021 reimbursement

- Eligible health care claims - \$ Pending
- 2021 total funding - \$107,800,000
- Federal grant - \$73,723,375
- State support - \$34,076,625

Proposed payment parameters

- Reinsurance cap – \$1 million
- Coinsurance – 50%
- Attachment points:
 - 2018 - \$95,000
 - 2019 - \$90,000
 - 2020 - \$90,000
 - 2021 - \$83,000
 - 2022 - \$92,000
 - 2023 - \$95,000

ORP effect on individual rates

As a result of ORP:

- Rates reduced by 8.3%
- Oregonians will save \$107.8 million in 2021 premiums
- Similar savings expected in 2022 of 107.7 million

Five Year Waiver Extension

Extension period (January 1, 2023 to December 31, 2027)

Authorized by Department of Health and Human Services
and U.S. Department of Treasury *

*Source: [2022 Extension Application](#)

Progress -
Oregon's State Relief
and Innovation Waiver

-

Measured by Guardrails:
Coverage
Affordability
Comprehensiveness
Deficit Neutrality

Coverage - Measured by Guardrails

Coverage:

On and Off the Individual Market

2018-2022 Enrollment Averaged 183,167*

Six health insurance carriers on the Individual Market.

Oregon Insurances Carriers have an average of at least 4 plans in zones 1 through 7 (36 counties)**

*Source: Oregon PPACA 1332 Annual Reports

** [2022 Final Rates](#)

Affordability- Measured by Guardrails

Affordability:

Many Oregonian's are already protected from rate increases on the individual market's premium subsidies by purchasing qualified health plans on the ACA exchange.

For the Rest:

Oregonian's save 8.5 to 9 percent per year because of the PPACA 1332 Waiver.

Comprehensiveness- Measured by Guardrails

Includes all: Individual health and Grandfathered plans

- Essential Health Benefits: (ORS 731.097)
 - (1) Ambulatory patient Services
 - (2) Emergency Services
 - (3) Hospitalization
 - (4) Maternity and newborn care
 - (5) Mental health and substance use disorder services, including behavioral health treatment
 - (6) Prescription drugs
 - (7) Rehabilitative and habilitative services and devices
 - (8) Laboratory services.
 - (9) Preventive and wellness services and chronic disease management.
 - (10) Pediatric services, including oral and vision care.

Other Services included: Telehealth and Mental health parity.

Source: <https://dfr.oregon.gov/laws-rules/Documents/Bulletins/bulletin2014-01.pdf>

Analysis- Measured by Guardrails

Deficit Neutrality – The project federal spending net of federal revenues under the §1332 Waiver must be equal or lower than projected federal spending net of federal revenues in absence of the §1332 Waiver.

Actuarial and Economic analysis - Advance Premium Tax Credits (APTC)

- Analysis and supporting data, enrollment, premiums, and Exchange financial assistance by age, income, and type of policies.
- Description of the models used to produce these estimate, including data sources and quality of the data, key assumptions, and parameters for the 1332 state plan
- All modeling assumptions used, source of state specific data, and the rationale for any deviation from federal forecasts.

Public Input:

Opens: July 21, 2022

Closes: August 21, 2022

For Comments:

Email - Joel.J.Payton@DCBS.Oregon.Gov

Or Mail to:

Oregon Department of Consumer and Business Services

Office of the Oregon Insurance Commissioner

Director's Office 2nd floor

Salem, Oregon

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Attention: Oregon Reinsurance Program

Questions

2022 Annual Pass – Through Funding
Public Forum

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