

State Innovation Waiver Section 1332 of the Affordable Care Act - Reinsurance Quarterly Reporting Template

Reporting Instructions: Use the following template to capture data for quarterly 1332 waiver grant reporting, as specified in 45 CFR 155.1324(a), and referenced in your grant specific terms and conditions (STC). Quarterly reports are due 60 days following the end of each calendar quarter.

PERFORMANCE PROGRESS REPORT - Quarterly SF-PPR Quarterly			
A. GRANTEE INFORMATION			
1. Reporting Period End Date May 31, 2018	2. Report Due Date May 30, 2018	3. 1st Quarterly Report <input checked="" type="radio"/> 2nd Quarterly Report <input type="radio"/> 3rd Quarterly Report <input type="radio"/>	
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight (CCIIO)	5. Federal Grant Number Assigned by Federal Agency HBEIE0069A,HBEIE0120A,HBEIE014	6a. DUNS Number 809579451	
		6b. EIN 93-0952020	
7. Recipient Organization Name Oregon Health Insurance Exchange-Department of Consumer and Business Services			
Address Line 1 350 Winter St NE			
Address Line 2			
Address Line 3			
City Salem	State Oregon	Zip Code 97301	Zip Extension
8. Grant Period Start Date January 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	
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.	
11a. Typed or printed name and title of Authorized Certifying Official Nancy J. Boysen Deputy Director Department of Consumer and Business Services Directors Office	11c. Telephone (area code, number, and extension) <div style="text-align: center;">503-947-7077</div>
11b. Signature of Authorized Certifying Official <div style="text-align: center;"><u>/s/ Nancy J. Boysen</u></div>	11d. E-mail address Nancy.J.Boysen@Oregon.gov <div style="text-align: right; font-size: small;">+</div>
11e. Date report submitted (month/day/year) 05/25/2018	
C. PROGRESS OF SECTION 1332 WAIVER - General	
12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver. Summary of ORP operations	
<p>The ORP is designed to operate as a traditional “attachment point” reinsurance program. The ORP will reimburse qualifying insurers for a percentage of claims paid on behalf of individual market enrollees whose annual claim costs fall between an attachment point and a cap. The ORP’s coinsurance rate, attachment point, and cap will determined through rulemaking later this year. Consistent with Oregon’s 1332 waiver application, we intend to propose a cap of \$1 million and a coinsurance rate of 50% during rulemaking. Our actuarial contractor has completed an analysis of the payment parameters for 2018 & 2019. Based on the total amount of reinsurance-eligible claims expected, we intend to propose attachments points of \$95,000 for 2018 and \$90,000 for 2019.</p> <p>In addition to federal pass-through funding, the ORP will be funded by one-time state transfers and a portion of the 1.5% premium assessment on commercial health plans established under HB 2391. Oregon’s 1332 waiver application estimated the amount of the one-time state transfers to be approximately \$57 million. These transfers have now completed, with a total of \$70,648,523 transferred to the ORP.</p> <p>Oregon’s 1332 waiver application also estimated that approximately 20% of the 1.5% assessment imposed on commercial health premiums by HB 2391 would be used to fund the ORP. In practice, DCBS now plans to transfer a fixed amount of the proceeds of the premium assessment to the Oregon Health Authority (OHA) to fund the state’s Medicaid program, with the remaining funds staying with DCBS. We now estimate that approximately 40% of the commercial health insurer assessment will remain with DCBS and be available to fund the ORP. DCBS and OHA intend to execute an intergovernmental-agreement to formalize this</p>	

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understanding.

DCBS continues to forecast that the ORP will pay out at least \$90 million in coinsurance reimbursements annually. We intend to use surplus funds received in a calendar year to fund the ORP in future years.

As part of DCBS' 2017-2019 budget, the agency received approval for one additional Operations and Policy Analyst 3 (OPA 3) position. This position was filled on May 21, 2018 and is dedicated to the ORP.

As noted above, DCBS will conduct rulemaking over the summer to finalize the ORP payment parameters and to establish a claims processing process. Further, we have created a Reinsurance Rules Advisory Committee (RAC) which met on March 30, 2018 and April 3, 2018 to discuss rules and policy formation to coordinate the current implementation of ORP plans for processing reinsurance claims.

The ORP will establish reporting requirements for insurers with reinsurance-eligible claims as part of the rulemaking process. The specific reporting requirements will be determined during the rulemaking, but we anticipate that insurers seeking reimbursement from the ORP will be required to submit an aggregate report of individuals with total claims falling between the attachment point of \$95,000.00 and \$1 million cap for the benefit year.

We also intend to audit a statistically valid sample of individual claims, to ensure that the claims being submitted to the ORP, are valid and paid correctly. Any anomalies discovered as a result of these audits will be investigated by the dedicated OPA 3 and, if necessary, Division of Financial Regulation compliance staff.

Once the ORP has reviewed and confirmed all claims, the ORP will calculate the reinsurance payments due to insurers. These amounts will be submitted to DCBS' Financial Services section, which will remit payment to insurers through its existing processes.

13. Describe any implementation and/or operational challenges, including plans for and results of associated corrective actions. After the first quarter, only report on changes and/or updates, as appropriate.

Operational Challenges

In July of 2017 a referendum was filed with the Oregon Secretary of State requesting a special election. Measure 101 was voted on in January of 2018, Oregon voters approved the 1.5% assessment fee on health care premiums. The referendum and special election caused a delay in the implementation of the Oregon Reinsurance Program.

The following is our current time-line:

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05/28/2018 Public notification of Post-Award Forum
05/30/18: 1st Quarterly Report Due to CMS
05/31/18: Last Day for ORP to host initial Post-Award Forum
08/14/18: Insurers pay second quarterly assessment (2018) under HB 2391
08/29/18: 2nd Quarterly Report Due to CMS
09/15/18: ORP submits SLCP and total non-group premium data for 2019
09/30/18: Target date for the adoption of final ORP rules
10/31/18: CMS notifies ORP of 2019 pass-through funding
11/14/18: Insurers pay third quarterly assessment (2018) under HB 2391
11/29/18: 3rd Quarterly Report Due to CMS
02/14/19: Insurers pay fourth quarterly assessment (2018) under HB 2391
03/01/19; 4th Quarterly Report Due to CMS
05/15/19: Insurers pay first quarterly assessment (2019) under HB 2391
05/30/19: 5th Quarterly Report Due to CMS
05/31/19: Last day for ORP to host annual Post-Award Forum
08/14/19: Insurers pay second quarterly assessment (2019) under HB 2391
08/29/19: 6th Quarterly Report Due to CMS
08/31/19: The ORP reimburses insurers for 2018 eligible claims
11/14/19: Insurers pay third quarterly assessment (2019) under HB 2391
11/29/19: 7th Quarterly Report Due to CMS
02/14/19: Insurers pay fourth quarterly assessment (2019) under HB 2391

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D. POST-AWARD FORUM

(for Quarter Post-Award Forum was held)

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

Yes

No

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

<http://dfr.oregon.gov/community/committees-workgroups/Pages/reinsurance-program-postaward-forum.aspx>

16. Date Post-Award Forum took place

June 28, 2018 DCBS Office Conference room 260 2nd floor 350 Winter Street NE. Salem, Oregon 97301

17. 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.

Correspondence will follow the public forum being held on June 28, 2018.

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