


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 Jun 30, 2018	2. Report Due Date August 31, 2018	3. 1st Quarterly Report <input type="radio"/> 2nd Quarterly Report <input checked="" type="radio"/> 3rd Quarterly Report <input type="radio"/>	
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight (CCIO)	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)			

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

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) <p style="text-align: center;">503-947-7077</p>
+	11d. E-mail address Nancy.J.Boysen@Oregon.gov
11b. Signature of Authorized Certifying Official 	11e. Date report submitted (month/day/year) <p style="text-align: center;">8/28/18</p>
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>For the 1st quarter insurer assessment; due to the Department of Consumer and Business Services (DCBS), on May 15, 2018 the "Department" collected approximately \$17,636,729.00 from the 1.5% assessment applied to the gross amount of premiums received by eligible health insurance companies, from "health benefit plans". Receipts for the 2nd quarterly assessment, due on August 15, 2018 was approximately \$18,600,000. A percentage of these funds will be used to administer the Oregon Reinsurance Program (ORP), while a major portion is being transferred-for a total of five quarters (ORS.414.025)- to fund Oregon's Medicaid Program managed by the Oregon Health Authority sunsetting June of 2019.</p> <p>Next, the Reinsurance Rulemaking Advisory Committee (RAC) met on March 30, 2018, April 3, 2018, July 10, 2018 and July 31, 2018, to discuss the parameters of the Oregon Reinsurance Program. The ORP administrative rules draft suggested direction concerning, secured data submission, claims processing data elements, audits, verification of submitted claims and reimbursement payments.</p> <p>In relation to our proposed rules, the ORP will continue operate as a traditional "attachment point" reinsurance program. The ORP has proposed, an attachment point of \$95,000.00, a cap of \$1 million and a coinsurance rate of 50% for the calendar year 2018. Further, the ORP proposes to drop the attachment point for 2019, to \$90,000.00 while maintaining a \$1 million cap and coinsurance rate of 50%.</p> <p>At this time, the administrative rules are on track for final approval by the end of 2018 . Once we adopt the final rules, the ORP will forward the final rules to the U.S. Department Health and Human Services- Center for Medicare and Medicaid Services- Center for Consumer Information and Insurance Oversight.</p>	

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

Moreover, the ORP will implement a Standard Operating Procedures to measure our administrative performance. The scope of the performance measures will encompass applicable policies, fraud prevention, soundness and regulatory oversight of all insurer claims and funding.

ORP has established a internal advisory group- that met on August 23, 2018 to coordinate how DCBS intends to collect the aggregated claims data submitted by the insurance carriers. This process will define how the ORP will be able to accurately process claims that have been tested for authenticity, including procedures for auditing a statistically valid sample of claims.

Once the ORP has reviewed and confirmed all claims, the DCBS insurance commissioner will calculate the coinsurance rate, which will determine if the percentage rate will remain constant at 50% or compressed. Payment to carriers is planned for the fall of 2019.

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

Currently, the ORP is creating a Standard Operating Procedure for processing the insurers claims-and making reinsurance payments. The ORP is also developing administrative rules for the ORP. The ORP claims process will constitute the roles of responsibility for each DCBS departmental manager and analyst. While ORP rules are drafted, we still have details to workout with carriers. We don't anticipate any issues that can't be resolved.

The following is our current time-line:

08/14/18: Insurers pay second quarterly assessment (2018) under HB 2391

08/23/18: Internal Advisory Group

08/31/18: 2nd Quarterly Report Due to CMS

09/15/18: ORP submits SLCSP and total non-group premium data for 2019

12/30/18: 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

11/30/18: 3rd Quarterly Report Due to CMS

01/01/19: Prepare Draft for Annual Report to CMS (<90 days)

02/14/19: Insurers pay fourth quarterly assessment (2018) under HB 2391

03/01/19: Annual 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

07/01/19: Tentative target date- Insurers report claims data on reinsurance-eligible individuals

08/01/19: DFR Audits Insurers claims for validation

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

08/14/19: Insurers pay second quarterly assessment (2019) under HB 2391
08/29/19: 6th Quarterly Report Due to CMS
10/15/19: DFR Determines reinsurance payments for each insurer
10/31/19: 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
02/14/20: Insurers pay fourth quarterly assessment (2019) under HB 2391

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

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

<https://dfr.oregon.gov/business/insurance-industry/health-ins-regulation/Pages/reinsurance-main.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.

The Oregon Reinsurance Program convened our public forum on June 28, 2018 from 1:00 to 3:00pm. We posted our event 30 days prior on May 26, 2018 on our Oregon DCBS website, as well as emailed over 4,000 invitations to stakeholders. We had one local businessman attend in person and two insurance companies called in during the allotted time period. They asked questions about the ORP functionality, resources and usefulness. The ORP created a power point slide presentation for the public, which provided an overview of the goals and operations of the reinsurance program. We suggested attendees ask questions in addition to what they learned from the presentation, including whether they had any concerns.

Questions:

1. How is the ORP being funded and does it help pay for individual subscribers health care expenses?

It was explained that the ORP is funded by a portion of a 1.5% premium assessment, which is applied to commercial insurance premiums. This assessment is used to fund the Oregon's Medicaid program and to fund high risk claims from the individual health insurance market. The ORP is designed to support insurance companies by reimbursing a portion of these high risk claims. By doing so, the ORP will help stabilize the individual health insurance market and lower the premiums rates. In addition, the federal government calculates the cost saving from the tax credits it would have spent, and passes it along to the state to use for the reinsurance program.

2. The Insurance companies inquired about the ORP administrative rules and when they would be ready?

We responded by informing them the proposed rules could available as early as the fall of 2018 or at the latest, by the end of the year. The rules will encompass how the insurance companies will report their claims and how we intend to audit the submissions before repayment.

3. The consumer inquired about individual health insurance options for his retiring wife who works for the state of Oregon and for his four employees that work for him.

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

He was directed to the Oregon Health Insurance Marketplace, Oregonhealthcare.gov to find health insurance options for his wife, himself and his employees.

4. A consumer asked for information about the reinsurance program.

We explained that for individuals who buy insurance from the individual marketplace, that ORP reimburses a portion of your medical claims, as an incentive the insurance companies, to bring down the individual market premium rates, as well as stabilize the market. Which means if we didn't have the reinsurance program the individual market rates would be higher. The ORP has proposed to set a threshold to reimburse health claims that reach \$95,000.00 up to \$1 million with a coinsurance rate of 50%, which means we will pay half of the bill to help insurance companies incur the cost.

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