

# Consumer Guide to 2025 Health Insurance Rate Filings

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Factors and considerations in the  
Health Rate Review process

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# INTRODUCTION



Each year, the Division of Financial Regulation (DFR) conducts a transparent health insurance rate review process for health plans that comply with the Affordable Care Act for small businesses and people who buy their own coverage rather than getting it through an employer. Conducting a yearly rate review ensures that premium rates charged to Oregonians adequately cover health care costs without being too high or too low.

This guide provides an overview of the rate change insurers requested, an explanation of the factors and trends affecting rates, and a summary of DFR's recommended rates formally communicated in DFR's preliminary decision documents, published on [www.OregonHealthRates.org](http://www.OregonHealthRates.org). The purpose of this guide is to aid in understanding DFR's preliminary decision document for rates set to become effective Jan. 1, 2025.

The 2025 health rate review process began in the fall of 2023 with insurance companies submitting filings that included information about their financial experience and assumptions. Pursuant to the authority granted by ORS 743.018(5), DFR actuaries review that data to ensure the requested rates are “reasonable and not excessive, inadequate or unfairly discriminatory.”

The review process takes into account a three-year window:

- The year the plan takes effect (2025)
- The year the rates are prepared, filed, and reviewed (2024)
- The most recent full year of data that can be referenced (2023)

That three-year window means that rates are set using data from prior years that is then projected forward to produce current rates. Trained and certified actuaries, experts in mathematics and statistical methods, make those projections. DFR also employs actuaries to review the information provided by insurers and to provide an independent assessment of the insurer’s calculations.

The rate review process is designed to foster a healthy insurance marketplace that maximizes consumer choice, minimizes consumer cost, and maintains the solvency of insurers to prevent consumer harm. Because of rising costs throughout the market, annual cost increases are to be expected most years – over time, inflation drives all costs up in healthy economies. The rate review process allows DFR actuaries to “check the math” of insurance companies, ensuring that their requested cost increases are justified by actuarial standards and market forces, and are necessary to maintain the solvency of the insurance company.

# RATE CHANGE REQUESTS

The table below shows the rate change requested by each insurer this year. It shows the rate increase requested, a representative “base rate,” and the total number of members affected.

The base rate represents what a 40-year-old on a “silver” plan in the Portland area would pay (without any subsidies or financial assistance) for health insurance. Rates vary based on geographic location and age.

Plans are rated on a “metals” system: bronze, silver, and gold. Those metal levels correlate to upfront premium costs (low for bronze, high for gold) and out-of-pocket cost sharing (high for bronze, low for gold). Consequently a Silver is the middle cost plan.

Company	Individual			Small Group		
	% Increase	Rate	Members	% Increase	Rate	Members
BridgeSpan	10.2%	\$582	264			
Kaiser	5.0%	\$486	34,574	6.4%	\$426	27,959
Moda	9.4%	\$522	29,992	9.8%	\$435	8,828
PacificSource	11.6%	\$576	24,943	5.7%	\$459	12,171
Providence	11.2%	\$578	44,753	16.3%	\$467	46,501
Regence BCBS*	9.3%	\$555	35,290	13.6%	\$459	63,653
Health Net				7.8%	\$435	3,140
UHC IC**				13.2%	\$518	9,523
UHC of OR***				13.8%	\$518	3

\* BlueCross BlueShield

\*\* UnitedHealthcare Insurance Company

\*\*\* United Healthcare of Oregon

Each insurers rate change request, and supporting documentation, underwent a comprehensive review.



# RATE CHANGE CONTRIBUTING FACTORS

The table below shows the amount each rate component contributes to the requested rate change per company. The percent change is shown as a portion of the requested rate change, so the columns add up to the total rate change request.

Experience and trend are the primary factors driving cost increases. In short, trend accounts for both changes in the cost of services as well as changes in the utilization of services. Trend is explained in greater detail further in this document.

## Individual market rate change contribution

Contribution factor	Kaiser	PacificSource	Moda	Providence	BridgeSpan	Regence
Experience and trend	9.8%	8.9%	12.3%	6.0%	8.7%	8.5%
Admin, taxes, and fees	-0.9%	0.7%	-1.2%	1.0%	1.0%	0.5%
Benefits, plan, and network	-2.9%	-0.6%		2.0%	0.5%	0.3%
Demographics	-0.6%					
Morbidity		2.5%				
Oregon Reinsurance	0.9%					
Margin	-1.4%					
Cost share reduction load				2.0%		
Other			-1.7%			
<b>Total</b>	<b>4.9%</b>	<b>11.5%</b>	<b>9.4%</b>	<b>11.0%</b>	<b>10.2%</b>	<b>9.3%</b>

## Small group market rate change contribution

Contribution factor	Kaiser	PacificSource	Moda	Providence	Regence	HealthNet	UHC IC	UHC OR
Experience and trend	5.6%	9.1%	7.5%	11.0%	13.4%	7.3%	13.6%	13.3%
Admin, taxes, and fees	0.7%		-0.5%	3.0%	1.1%	0.5%	-0.4%	-0.4%
Plan design changes	-0.4%			2.0%	-0.5%		-0.1%	0.7%
Profit		2.6%		-2.0%			0.2%	0.2%
Morbidity		-5.7%						
Other	0.4%		2.8%					
<b>Total</b>	<b>6.3%</b>	<b>6.0%</b>	<b>9.8%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>7.8%</b>	<b>13.3%</b>	<b>13.8%</b>

*Experience and trend includes risk adjustment. [More information on risk adjustment available here.](#)*

# WHAT IS TREND?

Trend simply refers to the change in cost of providing services. Trend includes many factors, but it generally ends up illustrating how certain key costs are changing, influencing the premiums an insurer must charge to stay solvent.

Trend can be broken down into two key categories – medical and pharmacy – each with a handful of items contained within.

## Trend Components

### Medical

- Unit cost – when considering the same service is being provided, the cost of providing that service has gone up. This includes forces such as:
  - » Medical inflation
  - » Provider contract changes
  - » Changes in intensity of medical care
- Utilization – In a given period, more services are being provided than before, causing an increase in costs. This includes forces such as:
  - » Changes in medical care practices
  - » Supply of services
  - » Changes in health or behavior of the covered population

### Pharmacy

- Typically, most insurers use a pharmacy benefit manager (PBM) model. In short, a third party is contracted to negotiate drug prices and coordinate with pharmacies. Includes forces such as:
  - » Introduction of new drugs
  - » Expiration of patents
  - » Issuer-specific utilization by drug class



Trend has marketwide forces, but will also vary by specific insurer. Each insurers' trend calculation is reviewed by DFR actuaries.

### Historical overall trend

Trend varies over time based on changes in the market. The table below illustrates the changes to trend over the last two years and compares it to the projected 2025 trend. Overall, trend is projected to be higher in 2025 than it was in 2024.

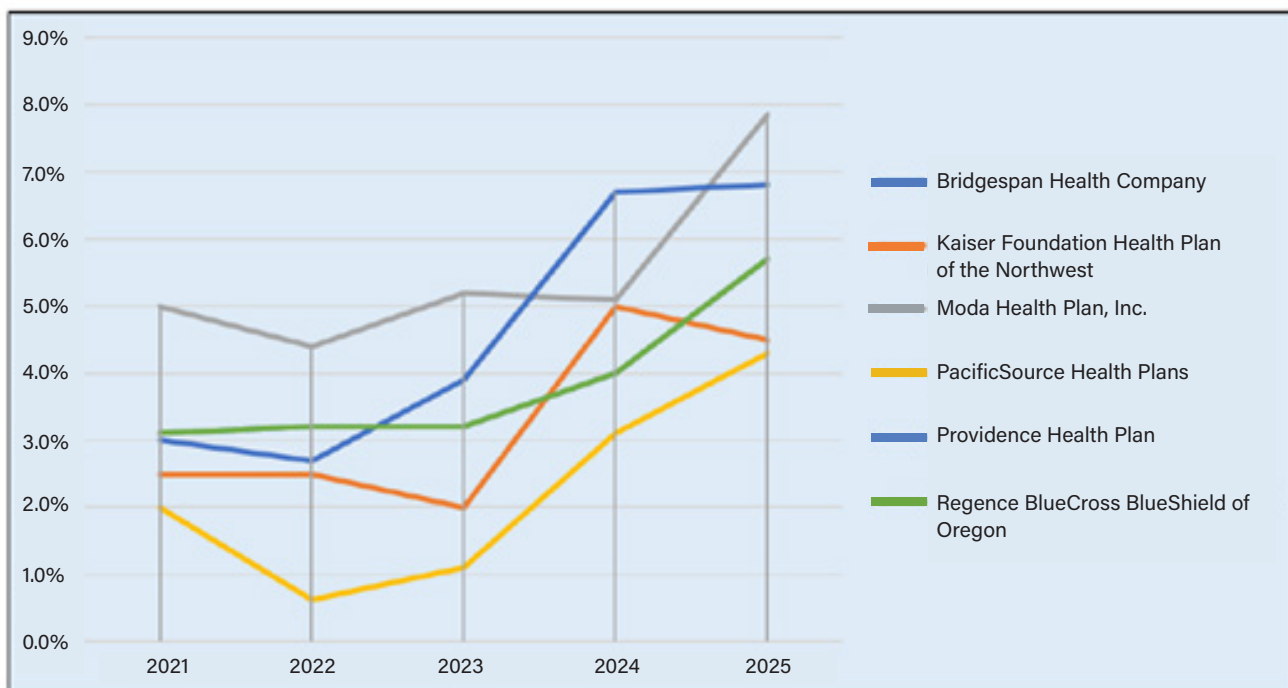
		Medical			RX			Overall		
	Year	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.
Individual	2023	4.6%	2.0%	6.1%	7.4%	2.0%	11.3%	5.2%	2.0%	6.6%
	2024	6.1%	5.0%	8.0%	8.3%	5.0%	10.2%	6.6%	5.0%	8.2%
	2025 (proj.)	7.9%	4.5%	9.4%	8.7%	4.5%	11.7%	8.0%	4.5%	9.6%
Small Group	2023	4.8%	2.0%	6.6%	7.3%	2.0%	11.3%	5.2%	2.0%	6.6%
	2024	6.4%	3.5%	8.7%	7.6%	3.5%	10.2%	6.6%	3.5%	8.5%
	2025 (proj.)	7.4%	4.1%	9.9%	7.9%	4.1%	11.2%	7.4%	4.1%	9.5%

## Projected trend by insurer - individual market

The tables below compare the trend projected by each insurer. Variance here is normal as each insurer experiences different trend forces unique to the population covered by their policies as well as the contracts the insurer is able to negotiate with providers.

Company	Medical			RX			Overall		
	Cost	Util.	Total	Cost	Util.	Total	Cost	Util.	Total
BridgeSpan	5.7%	2.6%	8.4%	5.0%	2.6%	7.7%	5.5%	2.6%	8.2%
Kaiser	4.5%	0.0%	4.5%	4.5%	0.0%	4.5%	4.5%	0.0%	4.5%
Moda	7.9%	1.0%	8.9%	8.5%	2.5%	11.2%	8.0%	1.3%	9.4%
PacificSource	4.3%	3.1%	7.5%	4.2%	5.1%	9.6%	4.3%	3.5%	8.0%
Providence	6.8%	2.5%	9.4%	4.8%	6.5%	11.7%	6.3%	3.0%	9.6%
Regence BCBS	5.7%	2.6%	8.4%	5.0%	2.6%	7.7%	5.5%	2.6%	8.2%

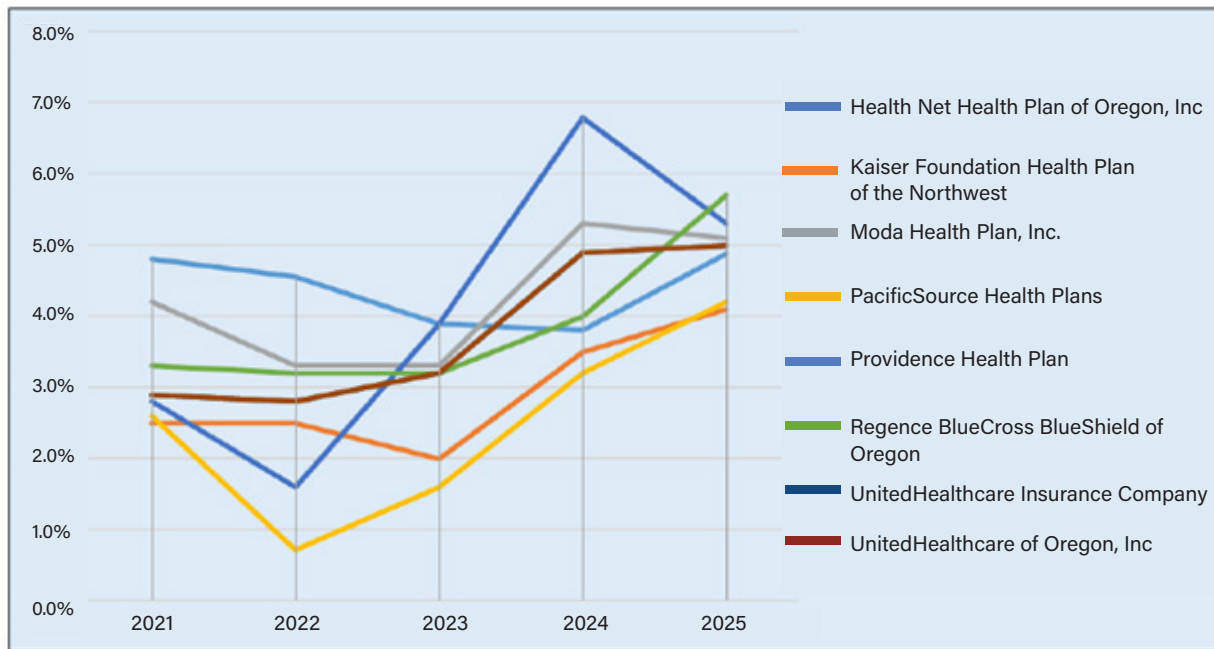
## Projected medical cost trend by year - individual market



## Projected trend by insurer - small group market

Company	Medical			RX			Overall			Quarterly Increase
	Cost	Util.	Total	Cost	Util.	Total	Cost	Util.	Total	
Health Net	4.9%	-0.1%	4.8%	4.5%	0.0%	4.5%	4.8%	-0.1%	4.7%	1.3%
Kaiser	4.1%	0.0%	4.1%	4.1%	0.0%	4.1%	4.1%	0.0%	4.1%	0.6%
Moda	5.1%	1.1%	6.3%	8.5%	2.5%	11.2%	5.6%	1.3%	7.0%	1.9%
PacificSource	4.2%	3.1%	7.4%	4.2%	5.1%	9.6%	4.2%	3.5%	7.8%	2.3%
Providence	5.3%	4.4%	9.9%	6.8%	2.7%	9.7%	6.8%	2.5%	9.5%	2.3%
Regence BCBS	5.7%	2.5%	8.2%	4.7%	2.5%	7.2%	5.4%	2.5%	7.9%	2.4%
UHC	5.0%	4.2%	9.4%	4.2%	4.2%	8.6%	4.9%	4.2%	9.3%	1.8%
UHC of OR	5.0%	4.2%	9.4%	4.2%	4.2%	8.6%	4.9%	4.2%	9.3%	1.8%

## Projected medical cost trend by year - small group market



# COST GROWTH TARGET ANALYSIS

While much of trend is the result of market forces, some costs can be influenced by insurer choices, such as contract negotiations. Oregon's Sustainable Health Care Cost Growth Target Program sets a statewide target for the annual per person growth rate of total health care spending in the state. The "cost growth target" (CGT) that it sets is meant to help ensure that health care costs are not growing faster than wages, inflation, and other economic indicators so that people continue to have access to high quality, affordable care.

The CGT is currently set at 3.4 percent. It is calculated at a high level, using a total cost of care approach. This view of health care spending includes all costs related to an individual's care, rather than focusing on a single factor such as prices. The CGT is not a spending cap and does not limit health care spending. Instead, the target aims to achieve a sustainable rate of growth.

The CGT is measured at four levels: statewide, by market (commercial, Medicaid, Medicare), for payers, and for provider organizations. The Cost Growth Target Program at the Oregon Health Authority annually measures and publicly reports on how the state is measuring against the CGT. More information is available here: [OHA CGT](#).

The Cost Growth Target Program has developed a series of accountability focused rules that begin with transparency. Payers and provider organizations who exceed the CGT with statistical confidence **and** without an acceptable reason may be subject to a performance improvement plans. Payers and provider organizations who continue to exceed the target without an acceptable reason may be subject to financial penalties. More information on that available here: [OHA CGT Accountability](#)

Cost growth under the program is measured in two ways: total health care expenditures and total medical expenses, each of which are specifically defined. More information available here: [Data Specification Manual](#). While not an exact comparison, the CGT is substantially similar to the medical unit cost trend reported by insurers. The table below shows how much lower premiums could be in 2025 if each insurer met the CGT target of 3.4% for its medical and pharmacy unit cost trend.

<b>Company</b>	<b>Individual</b>	<b>Small Group</b>
BridgeSpan	-2.0%	
Kaiser	-1.1%	-0.7%
Moda	-2.1%	-2.1%
PacificSource	-0.9%	-0.8%
Providence	-2.7%	-3.2%
Regence BCBS	-2.0%	-1.9%
Health Net		-1.3%
UHC IC		-1.4%
UHC of OR		-1.4%

# PROJECTED MEDICAL LOSS RATIO

The Affordable Care Act (ACA) requires that 80 percent of premiums must be used to pay claims. The table below shows what percentage of premium costs each insurer paid in claims.

There is more than one way to calculate this figure. In the “federal medical loss ratio” (MLR) column below, “quality improvement” expenses are included in the claim amount, and taxes and fees are excluded from the premium in the calculation. This results in a higher projected medical loss ratio. In either case, all Oregon health insurers have exceeded this requirement.

Should an insurer go below 80 percent MLR, the ACA requires that insurers return the excess premiums collected to plan holders in the form of rebates.

Company	Individual		Small Group	
	Pricing	Federal	Pricing	Federal
BridgeSpan	83.7%	88.1%		
Kaiser	83.9%	84.9%	83.3%	87.3%
Moda	88.7%	90.5%	89.0%	90.9%
PacificSource	86.6%	90.9%	85.0%	87.7%
Providence	83.8%	88.7%	85.7%	88.6%
Regence BCBS	84.7%	89.0%	84.2%	87.6%
Health Net			83.9%	86.2%
UHC IC			83.8%	86.8%
UHC of OR			83.8%	86.8%

*Pricing MLR – This calculation is strictly claims divided by premiums*

*Federal MLR – In this calculation, the quality improvement expense is included in the claim amount, and taxes and fees are excluded from the premium in the calculation.*



# RETENTION

This table shows what is done with the money left over after claims – the other side of the MLR shown above. This amount includes all salaries paid to insurer staff and any premium expected to be retained as profits or margin for the individual market.

## Individual market retention

PMPM = per member per month

	BridgeSpan		Kaiser		Moda		PacificSource		Providence		Regence BCBS	
	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.
Expenses	\$56.96	7.0%	\$56.93	9.1%	\$47.97	6.3%	\$50.36	6.6%	\$65.48	9.0%	\$43.98	6.4%
Commissions	\$3.09	0.4%	\$6.62	1.1%	\$5.86	0.8%	\$7.74	1.0%	\$8.20	1.1%	\$6.97	1.0%
Vendor fees	\$3.26	0.4%									\$3.26	0.5%
Insurer fee	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
Regulatory surcharge									\$0.36	0.1%		
Risk Adj. Program Fee	\$0.18	0.0%	\$0.18	0.0%	\$0.18	0.0%	\$0.18	0.0%	\$0.18	0.0%	\$0.18	0.0%
Oregon Reinsurance	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$15.34	2.0%	\$0.00	0.0%	\$0.00	0.0%
Health care reform (HCR) pooling amount			\$2.62	0.4%								
HCR - funding of Patient-Centered Outcomes Research (PCOR)	\$0.30	0.0%	\$0.30	0.1%	\$0.20	0.0%	\$0.30	0.0%	\$0.28	0.0%	\$0.30	0.0%
Oregon Exchange Fee	\$17.41	2.1%	\$14.22	2.3%	\$12.53	1.7%	\$10.40	1.4%	\$14.33	2.0%	\$13.36	1.9%
Oregon Premium Tax			\$12.52	2.0%	\$15.12	2.0%			\$14.60	2.0%		
Profit/margin	\$32.78	4.0%	\$7.51	1.2%	\$15.12	2.0%	\$15.34	2.0%	\$14.60	2.0%	\$20.59	3.0%
<b>Total premium retention</b>	<b>\$113.98</b>	<b>13.9%</b>	<b>\$100.90</b>	<b>16.1%</b>	<b>\$96.98</b>	<b>12.8%</b>	<b>\$99.65</b>	<b>13.0%</b>	<b>\$118.02</b>	<b>16.2%</b>	<b>\$88.64</b>	<b>12.9%</b>

## Individual market retention - expenses detailed view

This table shows the detailed breakdown of the "expenses" line in the table above for the individual market.

	BridgeSpan		Kaiser		Moda		PacificSource		Providence		Regence BCBS	
	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.
Salaries and wages	\$36.97	4.5%	\$49.05	7.8%	\$29.91	4.0%	\$35.63	4.6%	\$35.03	4.8%	\$26.29	3.8%
Cost depreciation	\$5.04	0.6%	\$0.01	0.0%	\$3.58	0.5%	\$1.20	0.2%	\$1.67	0.2%	\$4.50	0.7%
Rent (occupancy)	\$1.21	0.1%	\$2.74	0.4%	\$1.72	0.2%	\$0.68	0.1%	\$2.01	0.3%	\$1.07	0.2%
Marketing and advertising	\$0.40	0.0%	\$3.00	0.5%	\$1.34	0.2%	\$4.41	0.6%	\$1.30	0.2%	\$1.38	0.2%
General office expenses	\$1.33	0.2%	\$0.18	0.0%	\$0.53	0.1%	\$2.49	0.3%	\$13.81	1.9%	\$0.90	0.1%
Third-party admin. expenses or fees	\$6.11	0.7%	\$0.60	0.1%	\$6.10	0.8%	(\$7.52)	-1.0%	\$8.33	1.1%	\$4.82	0.7%
Legal and consulting fees	\$5.49	0.7%	\$1.34	0.2%	\$4.60	0.6%	\$13.06	1.7%	\$3.29	0.5%	\$4.65	0.7%
Traveling expenses	\$0.41	0.0%	\$0.02	0.0%	\$0.19	0.0%	\$0.41	0.1%	\$0.03	0.0%	\$0.37	0.1%
<b>Total expenses incurred</b>	<b>\$56.96</b>	<b>7.0%</b>	<b>\$56.93</b>	<b>9.1%</b>	<b>\$47.97</b>	<b>6.3%</b>	<b>\$50.36</b>	<b>6.6%</b>	<b>\$65.48</b>	<b>9.0%</b>	<b>\$43.98</b>	<b>6.4%</b>

## Small group market retention

	HealthNet		Kaiser		Moda		PacificSource		Providence		Regence		UHC IC		UHC OR	
	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.
Expenses	\$51.86	8.4%	\$63.30	11.1%	\$40.59	6.6%	\$48.28	7.7%	\$62.63	9.3%	\$44.28	6.9%	\$65.30	10.2%	\$65.30	10.2%
Commissions	\$21.49	3.5%	\$17.02	3.0%	\$14.18	2.3%	\$16.64	2.7%	\$18.99	2.8%	\$16.19	2.5%	\$17.07	2.7%	\$17.07	2.7%
Vendor fees											\$6.60	1.0%				
Insurer fees	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
Regulatory surcharge									\$0.36	0.1%						
Risk Adj. Prog. Fee	\$0.20	0.0%	\$0.18	0.0%	\$0.18	0.0%	\$0.18	0.0%	\$0.18	0.0%	\$0.18	0.0%	\$0.22	0.0%	\$0.22	0.0%
Oregon Reinsurance	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$12.54	2.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
HCR - funding of PCOR fee	\$0.29	0.0%	\$0.30	0.1%	\$0.31	0.1%	\$0.30	0.0%	\$0.30	0.0%	\$0.30	0.0%	\$0.29	0.0%	\$0.29	0.0%
Oregon Exchange Fee	\$0.00	0.0%	\$0.00	0.0%			\$0.41	0.1%	\$0.40	0.1%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
Income tax	\$3.44	0.6%														
Payroll tax	\$0.00	0.0%														
OR Premium tax	\$12.28	2.0%	\$11.36	2.0%	\$12.31	2.0%			\$13.43	2.0%						
HB 2391 premium assessment													\$12.78	2.0%	\$12.78	2.0%
Profit/margin	\$9.30	1.5%	\$2.84	0.5%	\$0.00	0.0%	\$15.68	2.5%	\$0.00	0.0%	\$15.99	2.5%	\$7.58	1.2%	\$7.58	1.2%
<b>Total premium retention</b>	<b>\$98.85</b>	<b>16.1%</b>	<b>\$95.00</b>	<b>16.7%</b>	<b>\$67.57</b>	<b>11.0%</b>	<b>\$94.03</b>	<b>15.0%</b>	<b>\$96.29</b>	<b>14.3%</b>	<b>\$83.54</b>	<b>13.1%</b>	<b>\$103.25</b>	<b>16.2%</b>	<b>\$103.25</b>	<b>16.2%</b>

## Small group market retention - expenses detailed view

This table shows the detailed breakdown of the “expenses” line in the table above for the small group market.

	HealthNet		Kaiser		Moda		PacificSource		Providence		Regence		UHC IC		UHC OR	
	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.	PMPM	% of Prem.
Salaries and wages	\$26.05	4.2%	\$54.54	9.6%	\$25.30	4.1%	\$34.16	5.4%	\$36.23	5.4%	\$28.64	4.5%	\$34.26	5.4%	\$34.26	5.4%
Cost depreciation	\$3.10	0.5%	\$0.02	0.0%	\$3.03	0.5%	\$1.15	0.2%	\$1.84	0.3%	\$4.90	0.8%	\$5.16	0.8%	\$5.16	0.8%
Rent (occupancy)	\$1.86	0.3%	\$3.04	0.5%	\$1.45	0.2%	\$0.65	0.1%	\$2.23	0.3%	\$1.10	0.2%	\$1.73	0.3%	\$1.73	0.3%
Marketing and advertising	\$1.37	0.2%	\$3.33	0.6%	\$1.14	0.2%	\$4.23	0.7%	\$1.03	0.2%	\$0.51	0.1%	\$2.61	0.4%	\$2.61	0.4%
General office expenses	\$2.24	0.4%	\$0.20	0.0%	\$0.45	0.1%	\$2.39	0.4%	\$8.94	1.3%	\$0.39	0.1%	\$3.01	0.5%	\$3.01	0.5%
Third-party admin. expenses or fees	\$8.68	1.4%	\$0.66	0.1%	\$5.17	0.8%	-\$7.21	-1.2%	\$8.77	1.3%	\$3.19	0.5%	\$6.33	1.0%	\$6.33	1.0%
Legal and consulting fees	\$8.29	1.4%	\$1.49	0.3%	\$3.89	0.6%	\$12.52	2.0%	\$3.55	0.5%	\$5.11	0.8%	\$16.25	2.5%	\$16.25	2.5%
Traveling expenses	\$0.26	0.0%	\$0.02	0.0%	\$0.16	0.0%	\$0.39	0.1%	\$0.04	0.0%	\$0.45	0.1%	\$1.15	0.2%	\$1.15	0.2%
<b>Total expenses incurred</b>	<b>\$51.86</b>	<b>8.4%</b>	<b>\$63.30</b>	<b>11.1%</b>	<b>\$40.59</b>	<b>6.6%</b>	<b>\$48.28</b>	<b>7.7%</b>	<b>\$62.63</b>	<b>9.3%</b>	<b>\$44.28</b>	<b>6.9%</b>	<b>\$65.30</b>	<b>10.2%</b>	<b>\$65.30</b>	<b>10.2%</b>

# OHP BRIDGE - BASIC HEALTH PROGRAM, COST-SHARING REDUCTION PLANS, AND SILVER-LOADING

There is a complex interaction between two different federal subsidy programs and Oregon's newly created Basic Health Program, officially called OHP Bridge – Basic Health Program. In short, Marketplace silver-tier plans will have reduced premiums following implementation, but federal premium tax credits may simultaneously be reduced for enrollees in other plan tiers. For some individuals on bronze and gold Marketplace plans, this will result in a higher net monthly premium payment than before.

To explain how this interaction unfolds, we need to describe the different elements at play.

## **OHP Bridge - Basic Health Program**

OHP Bridge - Basic Health Program (OHP Bridge - BHP) is a program required by the legislature through House Bill 4035 (2022) and run by the Oregon Health Authority. It provides free health coverage for adults between 138 percent to 200 percent of the federal poverty level. More information available here: [OHP Bridge](#)

## **Cost-Sharing Reduction Plans**

Cost-sharing reduction plans (CSR plans) are a type of silver plan required by the Affordable Care Act and are available for consumers with incomes under 250% of the federal poverty level (FPL). These plans have lower deductibles, co-pays, and other out-of-pocket expenses for low-income enrollees. Insurance companies are obligated to pay providers the difference in the reduced cost-sharing for eligible consumers who enroll in these plans. Prior to 2017, carriers would submit those expenses to the federal government for reimbursement. In 2017, however, the federal government stopped paying carriers to cover the costs of these subsidies.

## **Silver-loading**

When the federal government stopped reimbursing cost-sharing reductions directly to carriers, states came up with a plan known as “Silver Loading”. To cover the costs of the missing CSR payments, additional costs are “loaded” onto silver plan premiums, which makes silver plans more expensive.

However, because silver plans are the basis for calculating Premium Tax Credits (PTC), the increased cost of the silver-loaded plans caused the overall tax credits provided by the federal government to increase as well. In summary, the silver loading strategy results in higher premium tax credits giving consumers higher purchasing power towards bronze and gold plans.

## **The effect of the BHP on Marketplace Tax Credits**

Based on the eligibility criteria for the BHP, enrollment in CSR-eligible plans is anticipated to decrease until 2027. As that happens, the amount carriers need to pay to cover CSR plans goes down, so premiums for silver plans go down as well. As stated above, premium tax credits for Marketplace plans are tied to the cost of premiums for the silver plans. As the premium goes down, the available premium tax credits also go down. For some individuals on bronze and gold plans, the decrease in premium tax credits will result in a monthly premium payment that is higher than it was before.



# Reinsurance and risk adjustment – individual

The Oregon Reinsurance Program and the federal Risk Adjustment Program both work to offset risk (costs) experienced by insurers, ultimately lowering premiums.

Reinsurance is based on claim costs – when claims exceed a certain value, an insurer can receive payments from the reinsurance program to offset that risk, ultimately keeping costs lower for consumers.

The federal Risk Adjustment Program is designed to distribute the impact of high-risk, low-probability events across the market. These numbers represent payments made to the insurer or contributions to the pool.

Company	Reinsurance		Risk Adjustment		
	Experience (prelim. 2023)	Projected (2025)	Experience (2023)	Actual (2023)	Projected (2025)
BridgeSpan	\$0.7	\$0.3	\$0.7	\$0.3	\$0.4
Kaiser	\$15.0	\$7.6	(\$30.5)	\$-29.8	(\$19.4)
Moda	\$29.5	\$31.8	\$10.9	\$12	\$12.0
PacificSource	\$19.2	\$20.6	\$1.4	\$10.7	\$0.9
Providence	\$27.4	\$30.9	\$22.9	\$25.3	\$22.6
Regence BCBS	\$15.6	\$24.2	(\$16.7)	\$-18.6	(\$18.1)
<b>Total</b>	<b>\$107.4</b>	<b>\$115.5</b>	<b>(\$11.3)</b>	<b>\$-0.1</b>	<b>(\$1.5)</b>

*Values shown in millions*

The small group market does not participate in the Oregon Reinsurance Program, so only Risk Adjustment Program data is shown

Company	Risk Adjustment				
	Experience (prelim. 2023)	Actual (2023)		Projected (2025)	
Health Net	\$0.1	\$0.3	\$0.2	\$0.3	\$0.4
Kaiser	(\$9.8)	\$-11.4	(\$11.3)	\$-29.8	(\$19.4)
Moda	(\$1.8)	\$-1.9	(\$3.6)	\$12	\$12.0
PacificSource	\$6.3	\$6.6	-	\$10.7	\$0.9
Providence	\$1.4	\$2.4	\$0.9	\$25.3	\$22.6
Regence BCBS	\$4.4	\$2.1	\$8.4	\$-18.6	(\$18.1)
UHC	\$1.3	\$2.1	\$0.9	\$-0.1	(\$1.5)
UHC of OR	\$1.8	\$0	(\$4.4)		
Total	\$0.1	\$0.2	\$0.2		

*Values shown in millions*

# DFR RATE RECOMMENDATIONS

After a thorough review of the filed rates, DFR has recommended some adjustments to the rate increases requested. The changes are driven by two key factors: administrative cost adjustments and silver-load adjustments. The table below details those recommended changes per insurer.

These recommended changes are formally communicated in DFR's preliminary decision documents, published on [www.OregonHealthRates.org](http://www.OregonHealthRates.org).

Company	Individual				Small Group		
	Orig. Req.	Admin	Basic Health Plan (BHP)	Final	Orig. Req.	Admin	Final
BridgeSpan	10.2%	-0.3%	-1.2%	8.7%			
Kaiser	5.0%	-	-	5.0%	6.4%	-	6.4%
Moda	9.4%	-0.3%	-1.5%	7.6%	9.8%	-	9.8%
PacificSource	11.6%	-0.5%	-	11.1%	5.7%	-	5.7%
Providence	11.2%	-0.5%	-1.2%	9.5%	16.3%	-	16.3%
Regence BCBS	9.3%	-0.2%	-1.2%	7.9%	13.6%	-	13.6%
Health Net					7.8%	-	7.8%
UHC IC					13.2%	-0.5%	12.7%
UHC of OR					13.8%	-0.5%	13.3%
<b>Average</b>	<b>9.3%</b>			<b>8.1%</b>	<b>12.3%</b>		<b>12.2%</b>