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Department of Consumer and Business Services

Hearing Officer's Report to Agency on Rulemaking Hearing

Date: 9/30/2026

To: Department of Consumer and Business Services

From: Ethan Baldwin, Hearing Officer

Subject: Amendment to Oregon Reinsurance Program Rule

Hearing Date/Time:	September 22, 2026
Hearing Location:	Hybrid meeting conducted in person at Labor and Industries Building and virtually on Microsoft Teams.
Comment Period End:	September 29, 2026

Background

The Oregon Reinsurance Program (ORP) lowers health insurance premiums by reimbursing health benefit plans for a portion of certain very high-cost claims. The program is funded by a combination of state funds and federal pass-through dollars generated under the state's Affordable Care Act §1332 State Innovation Waiver. OAR 836-150-0020 defines certain terms related to ORP. OAR 836-150-0040 sets the program's payment parameters, including the attachment point (minimum claim size covered by the program), coinsurance rate (percentage of the claim covered by the program), and reinsurance cap (the maximum amount the program will pay for any given claim).

Payment parameters for each year are developed in collaboration with the department's actuarial contractor NovaRest and aim to match expected claims paid to the program's available budget. The final payment parameters for 2026 were provided to carriers in April 2025 to inform rate setting considerations for plan year 2026. The current permanent rule only defines payment parameters through plan year 2026.

The amendment to OAR 836-150-0020 will modify the definition of "benefit year" to provide further clarity in accordance with federal guidelines.

OAR 836-150-0040 will define payment parameters for the Oregon Reinsurance Program during plan year 2027. The new rule will reflect an increased attachment point of $131,000, compared to $108,000 in 2026. It will also reflect a cap of $1 million and a

coinsurance rate of 50%, which are unchanged relative to 2026. We also plan to delete a subsection defining payment parameters for plan year 2022, for which claims should be fully reconciled, and the language is no longer needed. This is consistent with the broader state policy of reviewing and eliminating obsolete and redundant rule language.

Hearing

A public hearing to receive testimony was held on September 22, 2026. Notice for the hearing was published in the Oregon Bulletin on September 1, 2026. Public testimony was accepted until 5:00 p.m. on September 29, 2026. Representing the Department of Consumer and Business Services at the public hearing were Ethan Baldwin, Joel Payton, Brooke Hall and Karen Winkel. Five members of the public attended the hearing in person or remotely, and none provided verbal testimony. No public comments were received in writing after the Notice of Proposed Rulemaking was published and before the comment deadline.

Summary of Testimony

Neither verbal nor written testimony was received.

Discussion

As no comments were received, no further discussion is necessary.

Recommendation

I recommend adopting the rule as proposed.

Ethan Baldwin
Hearing Officer
Division of Financial Regulation

This Summary and Recommendation are reviewed and adopted.

Signed on October 6, 2026.

TK Keen, Administrator
Oregon Insurance Commissioner
Division of Financial Regulation