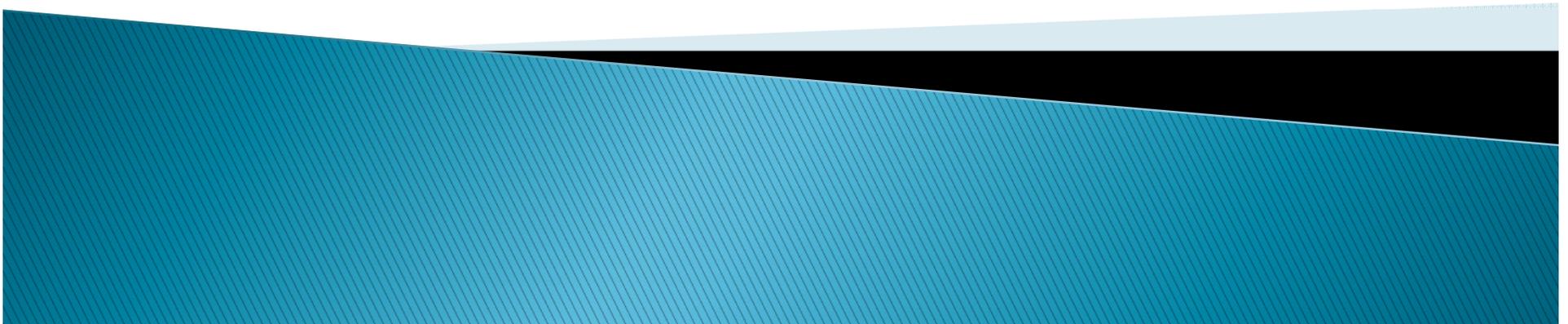


Oregon Reinsurance Program Overview

April 10, 2018



HB 2391 (2017)

- ▶ HB 2391 establishes the Oregon Reinsurance Program (See Sections 18 to 25).
- ▶ Purposes
 - Help stabilize rates and premiums for individual health benefit plans.
 - Provide greater financial certainty to consumers.
- ▶ All enrollees in non-grandfathered individual health benefit plans are eligible.



HB 2391 (2017)

- ▶ Attachment point model
 - Claims between an attachment point and reinsurance cap will be reimbursed at the coinsurance rate.
 - Attachment point and cap cannot change within a benefit year.
 - Coinsurance rate may not increase during a benefit year (but may *decrease* if claims exceed funds).



HB 2391 (2017)

- ▶ DCBS may adopt rules as necessary to carry out the program, including:
 - The amount, manner, and frequency of reinsurance payments
 - Reporting requirements for issuers of reinsurance eligible health benefit plans
- ▶ Insurers must identify impact of reinsurance payments in their rate filings.
- ▶ Program sunsets on January 2, 2024.



Reinsurance Funding

- ▶ Three Sources:
 - One time state funds transfers
 - Excess balance from Oregon Health Insurance Exchange
 - Remaining balance of the Oregon Medical Insurance Pool Account
 - A portion of the 1.5% health benefit plan premium assessment created under HB 2391.
 - Federal pass-through funding received under Oregon's Section 1332 waiver.



Oregon's 1332 Waiver

- ▶ Oregon was approved for a Section 1332 Waiver in October 2017.
- ▶ Approx. \$54M estimated for 2018.
- ▶ Additional information:

https://www.cms.gov/ccio/programs-and-initiatives/state-innovation-waivers/section_1332_state_innovation_waivers.html



Projected Annual Budget

- ▶ Projected per year
 - \$90 million in 2018
 - \$96 million in 2019
 - Funding for 2020 and beyond contingent on available funds.
- ▶ Excess funds received in a benefit year will be rolled forward to fund the program in the future.



High Level Timeline

- ▶ April 2018 – Rulemaking Advisory Committee convenes.
- ▶ May 2018 – First HB 2391 assessment due.
- ▶ September 2018 – Target date to adopt permanent rules.
- ▶ Spring 2019 – Carriers report claims information for 2018.
- ▶ Summer 2019 – ORP reimburses carriers for 2018 claims.



Goals of Rulemaking

- ▶ Establish payment parameters for 2018 & 2019.
- ▶ Establish claims reporting requirements and process.
- ▶ Establish mechanism for auditing claims data to ensure program integrity.
- ▶ Anything else?



Payment Parameters

- ▶ Current direction:
 - Cap – \$1M
 - Coinsurance – 50%
 - Attachment points – To Be Determined
- ▶ Vendor is modelling the attachment points for 2018 & 2019.



Next Steps

- ▶ We expect to share attachment point information next week.
- ▶ TAG meeting – April 20th
- ▶ Next Advisory Committee will be held the first week of May. Please bring any comments on attachment point at that time.



Questions?

▶ Contacts

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- Karen Winkel, DFR Rules Coordinator
 - Karen.J.Winkel@oregon.gov
- Reinsurance Program Coordinator – Expected to start in May 2017.

