

ORP Public Forum Questions for Internal and External Use

1. What is the Oregon Reinsurance Public Forum?

Michael Schopf: It's sort of an overview. It's essentially, what the reinsurance program is for individual health insurance. So, folks who aren't getting [health insurance] through work, they are just buying it directly from the carrier or through the market place. Basically, it pays a portion of the insurers claims cost and the idea, is to bring down the individual market rate, because those are the rates that really have been going up for the last few years. So, its sort of subsidizing that, on the back-end and that leads to lower rates in the front-end for the consumer. So, most of what were putting together is just sort of the operational rules, so the reinsurance will work and setting the attachment points, some of sort of the technical background information in term of how the payment flows, but essentially the impact of the reinsurance has already gone to the individual market rates. The prices are lower with the reinsurance loaded in, if we didn't have the reinsurance program [the rates would be higher]. I know that seems really high level but that what we are trying to accomplish.

Joel Payton: I want to read off some of the developments of the ORP and I know you heard Michael talk about the attachment points and I'm sure you are familiar with that. But, the point of the attachment point is again, especially when we are administering the reinsurance program, as well as, proposing to reimburse qualifying insurers a percentage of their annual claims cost which fall between an attachment point of \$95,000.00, cap of \$1 million and a coinsurance rate of 50%. One thing we are working on as well, is a [proposed] rule for self [internal] auditing or the insurers auditing themselves for the validity of their claims to search for errors in their submittals. And just to give you a little more information on the reinsurance programs in regards to payments. The repayments will start around the end of the summer of 2019. So, this is why its important that the audit process, takes place to ensure that the insurance companies themselves are receiving the correct payments for their claims.

2. Are you expecting the rules to be finalized by end of year to be effective 01/01/19 or are we looking out after that?

Michael Schopf: Veronica, that is the goal. I'd say, I think we have to have them in place – at the latest- by the end of this year. The rules are mainly going to address the reporting function from the carriers, so how the claims comes to us, and how the payment comes back out of the program, to the carriers. So, realistically we would have to have the rules in place by the drop dead of the end of the year. I think if it got past that, I think its really going to be difficult. So, I think the target you might see in the slides is September, we may not make that but, I think my goal is to absolutely have it wrapped and final rules in place by the end of the year.

3. Is there any other information that will be shared?

Michael Schopf: That will be it, but are you on the distribution list for the Rules Advisory Committee? Ok, our next Rules advisory committee will be on July 10th here in Salem.

4. Can you explain how this works?

Michael Schopf: Part of how the program is funded, part of the Affordable Care Act has this 1332 waiver, it's basically like a federal grant, because we are doing reinsurance it will lower rates, because the rates are going to be lower, the federal government will spend less money on these tax credits. The idea is that we are able to access the money we are saving. So, it's like a federal grant program, so the point of today is that when you have a waiver like that, you have to have a public forum to take any questions or public input.

5. So the funding- the money- is used to pay a portion of each subscribers medical expenses on the marketplace?

Michael Schopf: So, we set up a tax essentially, so we are taxing group insurance and using the money to reimburse the individual market, it's sort of a funds transfer. That's one source of money, that's what the bill called for- House Bill 2391. The Federal piece of it, is that, it's money that would have spent anyway, which they could channel it through the reinsurance program. Because, right now, how the individual markets works, if you're below 400% of the poverty level, you can get a subsidy, but if you're above that, you can't. So, these rates keep going up but these rates stay still. So, part of the idea of reinsurance is that you bring these rates back down, these people stay where they were, it kind of helps subsidize the rest of the market that doesn't qualify for tax credits.

Michael Schopf: What you're really doing, is taking a portion of the claims insurers would otherwise pay, and paying it as a state. So, it's sort of like you're subsidizing the insurer, but the intent is to keep the premiums lower for the consumer. Are you enrolled in an individual plan?

6. No, I have insurance through my wife who works for the state, but she is getting ready to retire and the only options she has is COBRA. So, it seems that's that option is really unaffordable. So, I just want information how I can search for options for us. Also, my employees are looking for insurance and I can't afford it?

Michael Schopf: You would be purchasing insurance for yourself and your wife? The marketplace, our exchange is the place where you can find a lower price to get coverage, Oregonhealthcare.gov, that will get you to where you can apply, that's basically the marketplace, let me give you their number that's 855-268-3767 and they can help you out for you and your wife, and they could give a referral for you to offer your employees and yourself and they can put you in contact with agents who could

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show you what a business plan would look like. The COBRA is a [health insurance] plan, the state pays a portion of it, but when she stops [retires], you can keep the insurance but she has to pay all of it. She can talk to the retirement people, to inquire about an individual policy for you and your wife, and you might qualify for Federal subsidies or tax credits, depending on your income.