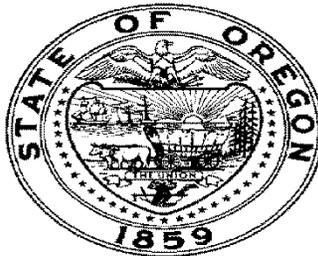




Division of Financial Regulation's

Oregon Reinsurance Program

**Patient Protection and Affordable Care Act –
Section 1332
State Innovation Waiver**



**Public Forum
June 28, 2018
L&I Building Room 260
Salem, Oregon U.S.A**

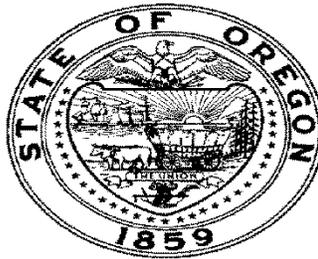


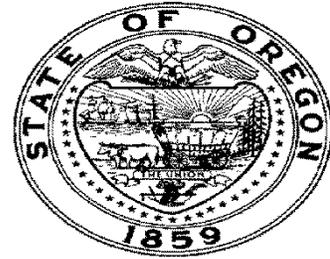
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Background

In accordance with the Specific Terms and Conditions for Oregon’s Patient Protection and Affordable Care Act section 1332 State Innovation waiver, the Department of Consumer and Business Services (DCBS), Division of Financial Regulation (DFR), conducts this public forum to introduce the operation of the Oregon Reinsurance Program (ORP).

The ORP was established by Enrolled Oregon House Bill 2391 (2017). The purpose of the ORP is to stabilize rates and premiums for the individual health benefit plan and to provide greater financial certainty to health insurance consumers in Oregon. The program is authorized for calendar years 2018-2022.

The ORP is a new program for the State of Oregon. The ORP will make its initial reinsurance payments in 2019. These payments will reimburse eligible insurers for individual market claims arising during the 2018 benefit year. Oregon is currently in the process for establishing the rules for the program, including the payment parameters, claims reporting and oversight.

Developments

House Bill 2391, affirmed by measure 101, imposed a 1.5% assessment on the gross of premiums derived from health benefit plans. The bill also established an assessment on premium equivalents for managed care organizations (MCO) and the Public Employee Benefits Board (PEBB) health benefits plan.

Funds collected from the HB 2391 assessments will be credited to the Health System Fund established by HB 2391. The ORP will be partially funded by a portion of the 1.5% premium assessment collected from fully-insured health benefits plans delivered or issued for delivery in Oregon. Additional funds will be provided through the State of Oregon’s approved Section 1332 State Innovation Waiver. The 1332 funds are calculated based on projected federal savings due to lower premium tax credit liabilities.

The ORP is designed to operate as a traditional “attachment point” reinsurance program. The ORP will reimburse qualifying insurers for a percentage of claims on behalf of individual

markets enrollees whose annual claims cost fall between an attachment point and a reinsurance cap. Additionally, for 2018, we intend to propose an attachment point of \$95,000, a cap of \$1 million and a coinsurance rate of 50%. Additionally, DCBS/DFR are researching ways to audit the claims information submitted to the ORP to ensure the amounts submitted are valid. Further, any anomalies discovered, as a result of these audits, will be investigated by the ORP and the Division of Financial Regulation (DFR).

Inquires

Please feel free to submit comments and questions by email to the moderators of todays forum. In addition, all comments and inquires will be forwarded to the Centers for Medicare and Medicaid Services Center for Consumer Information & Insurance Oversight (CMSCCIIO).

Thank you,

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