

Oregon Reinsurance Program  
1332 State Innovation Waiver  
Post Award Forum  
October 22, 2020

Department of Consumer and Business Services



# PPACA Section 1332 Waiver

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- Patient Protection and Affordable Care Act 1332 Waiver helps:
- Reduce premiums for all Oregonians on the Individual health insurance market.
- Insurance carriers pay for a portion of high cost claims.

# HB 2010 (2019)

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- 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

# HB 2010 (2019)

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- January 1, 2019 DCBS adopted ORP rules necessary to carry out the program, including:
  - June 30, All eligible Health Care claims paid by Insurers (\$90,000 to \$1 million)
  - July 15 Submit all eligible claims for reimbursement
  - Audits conducted by DFR
  - Insurers must identify impact of reinsurance payments in their rate filings annually.

# Reinsurance Funding

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- 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 health benefit plan premium assessment (2% HB2010).
  - Federal pass-through funding received under Oregon's Section 1332 waiver.

# Oregon's 1332 Waiver

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- Oregon applied for a Section 1332 waiver to help fund the Oregon Reinsurance Program
  - Requested a waiver of the ACA single risk pool requirement to allow carriers to adjust individual rates downward to account for reinsurance.
  - Requested a “Pass-through” of federal savings attributable to reinsurance. These savings come from reductions in federal spending on premium tax credits.

# Oregon's 1332 Waiver

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- CMS approved Oregon's application on October 19, 2017 for 5 years.
- Federal savings= Pass-Through Funding by Year:
  - 2018= \$54,482,113
  - 2019= \$41,845,226
  - 2020= \$54,408,157
- Additional information:  
[https://www.cms.gov/cciiio/programs-and-initiatives/state-innovation-waivers/section\\_1332\\_state\\_innovation\\_waivers-.html](https://www.cms.gov/cciiio/programs-and-initiatives/state-innovation-waivers/section_1332_state_innovation_waivers-.html)

# ORP - Projected Annual Budget

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- Projected per year
  - \$90 million in 2018
  - \$95.4 million in 2019
  - \$101,800 million in 2020.



# DCBS Financials for 2020 Reimbursement

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- Eligible healthcare claims approx. \$83,732,576
- Total funding (2020) = \$94,500,000
- Federal Grant = \$41,845,226
- State Support = \$52,654,774

# Proposed Payment Parameters

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- Reinsurance Cap - \$1M
- Coinsurance – 50%
- Attachment points
  - 2018 – \$95,000
  - 2019 - \$90,000
  - 2020 - \$90,000

# ORP – Effect on Individual Rates

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- As a result of the Oregon Reinsurance Program, rates were reduced by an average of 8 percent with the PPACA 1332 waiver
- For 2021, carriers have included the impact of reinsurance in their individual rate filings.
  - 2021 will save Oregonians over \$101.8 million in Health care premiums.
  - Similar market wide impacts are expected.

**Additional Information:**

<https://dfr.oregon.gov/news/2019/Pages/20190715-2020-final-rates.aspx>

# For More Information

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ORP DFR Webpage:

<https://dfr.Oregon.gov/business/reg/health/Pages/Oregon-reinsurance-program.aspx>

Oregon Health Insurance Marketplace Webpage:

<https://www.Oregonhealthcare.gov/windowshop>.

Center for Medicare and Medicaid Services/CCIIO

[https://www.cms.gov/CCIIO/Programs-and-initiatives/State-Innovation-Waivers/Section 1332 State Innovation Waivers-](https://www.cms.gov/CCIIO/Programs-and-initiatives/State-Innovation-Waivers/Section%201332%20State%20Innovation%20Waivers)

# Questions?

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