



NOTICE OF PROPOSED RULEMAKING INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 836 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES INSURANCE REGULATION

FILED

08/19/2025 2:20 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Amending OAR 836-150-0040 to add ORP payment parameters for plan year 2026

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 10/29/2025 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
Karen Winkel
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 10/22/2025

TIME: 9:30 AM

OFFICER: Ethan Baldwin

IN-PERSON HEARING DETAILS

ADDRESS: Labor and Industries Building, 350 Winter St. NE, Basement, Conf Rm E, Salem, OR 97301

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 693533290

SPECIAL INSTRUCTIONS:

This is a hybrid meeting conducted in-person and virtually via Microsoft Teams:

Meeting ID: 213 750 284 963 4

Passcode: 3Yq6WH7N

NOTE: PUBLIC COMMENTS ARE PUBLIC RECORDS AND MAY BE MADE PUBLICALLY AVAILABLE.

NEED FOR THE RULE(S)

The Oregon reinsurance program 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. The waiver has been extended to permit operation of the reinsurance program through 2027. 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 of Consumer Services' (DCBS) actuarial contractor NovaRest, and aim to match expected claims paid with budgeted state and federal funds. The proposed 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 2025.

Based on the information available to DCBS, the proposed rules would not have any additional fiscal or economic impact on state agencies, local governments, the public, nor small businesses beyond the underlying statutory requirements.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Draft rules are available from Karen Winkel, Rules Coordinator, Division of Financial Regulation located at 350 Winter St. NE, Salem, OR 97301 and are available on the division's website:
<https://dfr.oregon.gov/laws-rules/Pages/proposed-rules.aspx>.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

This amended rule defines payment parameters for the Oregon Reinsurance Program (ORP) for claims incurred during the 2026 benefit year. The new payment parameters are calibrated to maintain the program's existing premium reduction target, effectively maintaining the status quo into 2026. ORP reduces base premiums for health plan enrollees in the individual and small group market. Thus, while adoption of the original rule may have had an impact on equity, this amendment will not result in significant changes for any groups in the state.

FISCAL AND ECONOMIC IMPACT:

This amended rule will define payment parameters for the Oregon Reinsurance Program (ORP) for claims incurred during the 2026 benefit year consistent with information provided to health insurance carriers during Oregon's 2026 rate review process. This will allow the department to disburse federal pass-through funds to Oregon insurance carriers under the specified conditions, mitigating their risk of exposure to unusually high-cost medical claims.

Continued operation of ORP is projected to continue lowering individual insurance premiums by a net of 6%. This will have a financial benefit for consumers in the form of increased choice and lower premiums for at least some insurance purchasers.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Based on available information, these proposed rules would have no financial impact on state agencies or local governments. The proposed rules modify, but do not expand, the operational parameters of the Oregon Reinsurance Program, and align state expenditures on the program with currently budgeted state and federal funds.

(2)(a) The most direct impact of these proposed rules would be on health insurers. Based on financial filings made to DFR, no insurers meet the definition of a small business under ORS 183.310, because no insurer is independently owned and operated.

(2)(b) The proposed rules effectively extend the status quo into 2026, resulting in no change to expected reporting, recordkeeping, administrative activities, or cost to implement.

(2)(c) The proposed rules effectively extend the status quo into 2026, resulting in no change to expected resources necessary to comply with the rules.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The department reached out to stakeholder organizations representing small businesses regarding the draft rule.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

AMEND: 836-150-0040

RULE SUMMARY: The amended rule will include payment parameters for plan year 2026 (attachment point of \$108,000; reinsurance cap of \$1,000,000; and coinsurance rate of 50%), while deleting the provisions related to plan year 2021.

CHANGES TO RULE:

836-150-0040

Reinsurance Parameters

(1) For the benefit year beginning on January 1, 2021~~2~~ the parameters for the Oregon Reinsurance Program are:¶

(a) An attachment point of \$~~83~~92,000;¶

(b) A reinsurance cap of \$1,000,000; and¶

(c) A coinsurance rate of fifty percent.¶

(2) For the benefit year beginning on January 1, 2022~~3~~ the parameters for the Oregon Reinsurance Program are:¶

(a) An attachment point of \$~~92~~5,000;¶

(b) A reinsurance cap of \$1,000,000; and¶

(c) A coinsurance rate of fifty percent.¶

(3) For the benefit year beginning on January 1, 2023~~4~~ the parameters for the Oregon Reinsurance Program are:¶

(a) An attachment point of \$~~95~~,000;¶

(b) A reinsurance cap of \$1,000,000; and¶

(c) A coinsurance rate of fifty percent.¶

(4) For the benefit year beginning on January 1, 2024~~5~~ the parameters for the Oregon Reinsurance Program are:¶

(a) An attachment point of \$~~95~~103,000;¶

(b) A reinsurance cap of \$1,000,000; and¶

(c) A coinsurance rate of fifty percent.¶

(5) For the benefit year beginning on January 1, 2025~~6~~ the parameters for the Oregon Reinsurance Program are:¶

(a) An attachment point of \$~~103~~8,000;¶

(b) A reinsurance cap of \$1,000,000; and¶

(c) A coinsurance rate of fifty percent.

Statutory/Other Authority: ORS 731.244, Or Laws 2017, ch 538, sec 19

Statutes/Other Implemented: Or Laws 2017, ch 538, sec 18-21