NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 836

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE REGULATION

FILED: 08/20/2026 2:37 PM
ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Amending to add ORP payment parameters for plan year 2027

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 09/29/2026 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.

CONTACT:
Karen Winkel
503-947-7694
dfr.rules@dcbs.oregon.gov
350 Winter St NE
Salem, OR 97301

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: 09/22/2026
TIME: 11:00 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: 419800544
SPECIAL INSTRUCTIONS:
This is a hybrid meeting conducted in-person and virtually via Microsoft Teams:

Meeting ID: 234 545 504 621 299
Passcode: 2qm78WA3

NEED FOR THE RULE(S):

The Oregon Reinsurance Program (ORP) 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. OAR 836-150-0020 defines certain terms related to the ORP. 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's actuarial contractor NovaRest, and aim to match expected claims paid to the program's available budget. The final 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 2026. There is also a need to modify the definition of "benefit year" to comply with federal guidance.

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 2027 benefit year. The new payment parameters are calibrated to maintain the program's existing premium reduction target, effectively maintaining the status quo into 2027. 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 ORP for claims incurred during the 2027 benefit year consistent with information provided to health insurance carriers during Oregon's 2027 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 9.7%. 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 ORP, 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 2027, 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 2027, 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

RULES PROPOSED:
836-150-0020, 836-150-0040

AMEND: 836-150-0020

RULE SUMMARY: Amended to define "benefit year" beginning January 1 ending December 31.

CHANGES TO RULE:

836-150-0020
Definitions
The terms used in OAR 836-150-0010 to 836-150-0060 have the meaning prescribed in ~~section 19, chapter 538, Oregon Laws 2017 (Enrolled House Bill 2391)~~Oregon Laws 2017, chapter 538, section 19 and:¶
(1) "Benefit year" means a calendar year beginning ~~on or after January 1, 2018~~January 1 ending December 31 of a given year for which a reinsurance eligible health benefit plan provides health insurance coverage. ¶
(2) "Department" means the Oregon Department of Consumer and Business Services.¶
(3) "Reinsurance eligible claim" means a claim for services covered under a reinsurance eligible health benefit plan that is incurred by a reinsurance eligible issuer during a benefit year and paid by the reinsurance eligible issuer before July 1 of the following year.¶
(4) "Reinsurance eligible issuer" means an insurer or health care service contractor who offers a reinsurance eligible health benefit plan to reinsurance eligible individuals.¶
(5) "Reinsurance payment" means payments issued to a reinsurance eligible issuer in accordance with ~~section 2(3), chapter 538 Oregon Laws 2017 (Enrolled House Bill 2391~~Oregon Laws 2017, chapter 538, section 2(3) and OAR 836-150-0050.
Statutory/Other Authority: ORS 731.244, OL 2017 ~~Or Laws,~~ ch 538, sec 19
Statutes/Other Implemented: OL 2017 ~~Or Laws,~~ ch 538, sec 18-21

AMEND: 836-150-0040

RULE SUMMARY: The amended rule will include payment parameters for plan year 2027 (attachment point of $131,000; reinsurance cap of $1,000,000; and coinsurance rate of 50%), while deleting the provisions related to plan year 2022.

CHANGES TO RULE:

836-150-0040
Reinsurance Parameters
(1) For the benefit year beginning on January 1, 202~~2~~3 the parameters for the Oregon Reinsurance Program are:¶
(a) An attachment point of $9~~2~~5,000;¶
(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, 202~~3~~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.¶
(3) For the benefit year beginning on January 1, 202~~4~~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.¶
(4) For the benefit year beginning on January 1, 202~~5~~6 the parameters for the Oregon Reinsurance Program are:¶
(a) An attachment point of $10~~3~~8,000;¶
(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, 202~~6~~7 the parameters for the Oregon Reinsurance Program are:¶
(a) An attachment point of $1~~08~~31,000;¶
(b) A reinsurance cap of $1,000,000; and¶
(c) A coinsurance rate of fifty percent.
Statutory/Other Authority: ORS 731.244, O~~r Laws~~L 2017, ch 538, sec 19
Statutes/Other Implemented: O~~r Laws~~L 2017, ch 538, sec 18-21