



Hearing Officer's Report to Agency on Rulemaking Hearing

Date: 10/30/2025

To: Department of Consumer and Business Services

From: Ethan Baldwin, Hearing Officer

Subject: Amendment to update 2026 Oregon Reinsurance Payment Parameters

Hearing Date/Time: October 22, 2025

Hearing Location: Hybrid meeting conducted in-person at Labor and Industries Building and virtually on Microsoft Teams.

Comment Period End: October 29, 2025

Background

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.

The amendment to OAR 836-150-0040 will define payment parameters for the Oregon Reinsurance Program during plan year 2026. The new rule will reflect an increased attachment point of \$108,000, compared to \$103,000 in 2025. It will also reflect a cap of \$1 million and a coinsurance rate of 50%, which are unchanged relative to 2025. We also plan to delete a subsection defining payment parameters for plan year 2021, for

which claims should be fully reconciled and the language is no longer needed. This is consistent with the broader state policy of reviewing and eliminating obsolete and redundant rule language.

Hearing

A public hearing to receive testimony was held on October 22, 2025 at 9:30 a.m. Notice for the hearing was published in the Oregon Bulletin on September 1, 2025. Public testimony was accepted until 5:00 p.m. on October 29, 2025. Representing DCBS at the public hearing were Ethan Baldwin, Joel Payton and Karen Winkel. Three members of the public attended the hearing in person or remotely, and none provided verbal testimony. No public comments were received in writing after the Notice of Proposed Rulemaking was published and before the comment deadline.

Summary of Testimony

Neither verbal nor written testimony was received.

Public Comment Discussion

The division did not receive any public comments recommending changes to the proposed rule; therefore there is no discussion.


Recommendation

I recommend that the division adopt the rule as proposed.

Ethan Baldwin
Hearing Officer
Division of Financial Regulation

This Summary and Recommendation are reviewed and adopted.

Signed this 5th day of December, 2025.



TK Keen, Administrator
Insurance Commissioner
Division of Financial Regulation