

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers - Reinsurance Waiver Annual Report

Reporting Instructions: Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on paragraph 10 of your specific terms and conditions (STC), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked “if applicable,” please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft annual reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE:

A. GRANTEE INFORMATION		
1. Reporting Period End Date Dec 31, 2019	2. Report Due Date Apr 30, 2020	3. Report Submitted On (Date) Apr 24, 2020
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency 1 SIWIW18003-01-00	6a. DUNS Number 809579451	6b. EIN 93-0952020
7. Recipient Organization Name Oregon Department Of Consumer and Business Services		
Address Line 1 350 Winter Street NE		
Address Line 2 Division of Financial Regulation		
Address Line 3		
City Salem	State Oregon	Zip Code 97304
Zip Extension 3875	8. Grant Period Start Date Jan 1, 2018	9. Grant Period End Date Dec 31, 2022
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)		

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B. REPORT CERTIFICATION	
11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.	
11a. Typed or printed name and title of Authorized Certifying Official John Paul Jones, Deputy Administrator Department Of Consumer and Business Services Division of Financial Regulation	
11b. Signature of Authorized Certifying Official	
11c. Telephone (area code, number, and extension) (503) 947-7497	
11d. E-mail address JP.Jones@Oregon.Gov	
11e. Date report submitted (month/day/year) Apr 24, 2020	
C. PROGRESS OF SECTION 1332 WAIVER - <u>General</u>	
12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program. During the 2019 legislative session, the Oregon Legislature enrolled House Bill 2010. The bill makes two key changes to assessments established under HB2391 (2017). First, increasing the assessment on premiums from health benefit plans from 1.5 to 2 percent. Second, expanding assessments to apply to premiums from "insurance described in ORS 742.065" (stop Loss Insurance). Both changes were effective January 1, 2020 and end on December 31, 2026.	
13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails, and plans for and results of associated corrective actions. After the first year, only report on changes and/or updates, as appropriate. No challenges noted to date. The agency recently issued an RFP for continued actuarial support for the reinsurance program. The new vendor will be on board in April 2020.	

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D. PROGRESS OF SECTION 1332 WAIVER - State-Specific		
14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1)		
	Value	Comments (if applicable)
a. Actual individual market enrollment on the Exchange in the state	126,846	Average member months
Actual individual market enrollment off the Exchange in the state	50,355	Average member months
b. Actual average individual market premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$557.86	
Actual average individual market premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$502.87	
c. Actual Second Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year old non-smoker) in each rating area	See Exhibit 1, Column A	40-year old non-smoker
Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year old non-smoker) in each rating area	See Exhibit 1, Column B	40-year old non-smoker
d. For states with State-based Exchanges , actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year		N/A
e. For states with State-based Exchanges , actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.		N/A

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15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.

No impact to Essential Health Benefits (EHB).

16. Describe any changes to the state-operated reinsurance program, including changes to the funding level the program will be operating at for the next plan year, any changes to the approved payment parameters for reinsurance program reimbursement or changes to eligibility criteria for enrollees' claims to be reimbursed under the program.

2019 Scheduled payout \$95.4 million
 2019 Attachment point is \$95,000
 2019 Cap is \$1,000,000
 2019 Coinsurance Rate is 50%

17. Describe any changes in state law that might impact the waiver and the date(s) these change occurred or are expected to occur.

HB2010 was effective on January 1, 2020. Increased assessment to 2.0 percent and extends the program to December 31, 2026.

18. Report on spending:

	Value	Comments (if applicable)
a. Amount of Federal pass-through funding spent on individual claim payments to issuers from the reinsurance program	\$54,482,113	Reimbursement paid-out December, 2019
b. Amount of Federal pass-through funding spent on operation of the reinsurance program	\$0	Operational expenses are from State funding
c. Amount of any unspent balance of Federal pass-through funding for the reporting year	\$0	Total Claims amounted to \$90 million
d. Amount of state funding contribution to fully fund the program for the reporting year	\$35,517,887	

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19. If applicable, provide a claims breakout at an aggregate level for the top 5 conditions or cost drivers of the 5 conditions, including settings of care in the individual market.

This question does not apply, Oregon covers all essential health benefit claims in-line with ORP parameters

20. If applicable, report on any incentives for providers, enrollees, and plan issuers to continue managing health care cost and utilization for individuals eligible for reinsurance.

For the 2018 plan year Oregon temporarily amended OAR 836-150-0040 increasing the coinsurance rate from 50 to 59.2 percent. This action allowed us to honor the \$90 million reinsurance set for 2018. We hope this action helped insurers have confidence in the program and our ability to act.

21. If applicable, report of any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high cost risk adjustment program.

	Value	Comments (if applicable)
a. Reinsurance payment (before reconciliation) for high-cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool	\$0	N/A
b. Risk adjustment amount paid by HHS for those claims	\$0	N/A
c. Reinsurance reconciliation (or true-up) amount applied	\$0	N/A

E. POST-AWARD FORUM

22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?

Yes

No

23. State website address where Post-Award Forum was advertised

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

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24. Date Post-Award Forum took place

October 22, 2019

25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received and actions taken in response to concerns or comments.

The Post Award Forum took place the L&I Building 350 Winter Street NE Salem, Oregon. Eight people attended in person and 20 called in. The meeting began with an overview of the program. The Agency provided printed materials including the ORP overview and slide show. No foreign translator nor sign-language professionals were requested. The presenter panel consisted of DCBS/Division of Financial Regulation's actuarial, policy, insurance institutions, ORP Program Manager, and Deputy Director. Once the slide show presentation concluded, the Agency held a question and answer session.

The question session centered on a retired state administrator and small business owner. The small business owner wanted to know why the Agency's risk stabilization program does not provide benefits options for her? She stated she was apposed to Measure 101 which asks citizens to vote on whether to approve or reject a temporary assessment created as part of HB 2391 (2017) to address certain health care funding issues. Further, she pays over \$1,100 per month for health insurance. The additional assessments puts a strain on her business. Even though, the ORP helps other less fortunate citizens acquire health care coverage on the individual market, she saw no benefit to the program.

Our panel of subject-matter-experts explained the overall effects of the Agency Program. The small business owner did not realize the Agency program supports a part of the Oregon Health Authorities, State Medicaid Program. They also explained how the ORP helps stabilize the Individual Health Insurance Market by suppressing premium rates and increasing health insurer competition within each county. This competition promotes the growth of at least two insurers in every county in Oregon. The small business owner explained that she was glad she attended, and learned more about the program to take back to her community.

There were no other comments.

26. Other Attachments (attach other documents as needed pertaining to Post-Award Form)

Exhibit 1: summary of SLCS rates, to satisfy question 14c.

F. STATE INTERNAL IMPLEMENTATION REVIEW - ATTESTATION

27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).

Yes

No

28. Describe the state's implementation review process.

The ORP produces four quarterly reports, one Annual report and, one Pass-Through Funding Report in

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accordance to 31 CFR 33.012 and 45 CFR 155.1320(b). These reports are submitted, to CMS/CCIIO on a timely basis. In relation to these report ORP responds to all notices for review and follow-up from CMS/CCIIO.

Administratively, ORP has Laws in place (HB2010), (HB2391) and OAR 836-150-0010-0060, which are used to implement the program.

Operationally, ORP has periodic meetings throughout the year to address the functionality of the claims process, auditing, accounting, policy measures, funding and, both public and private outreach to ensure that we maintain a high level of transparency. In addition, ORP use both in-house and external actuaries to model the various trends that occur with SLCP rates, enrollment, provider service coverage and Funding.