

Honorable Representative Mitch Greenlick
Chair, Committee on Health
Oregon House of Representatives
Oregon State Capital
900 Court Street NE
Salem, OR 97301

Re: House Bill 2605, Rate Filings

Dear Chair Greenlick and Members of the Committee,

On behalf of Moda Health, I want to thank you for the opportunity to provide comment on HB 2605. We understand amendments are coming to the bill, but wanted to go on record with our concerns. Moda Health is proud to serve over 350,000 Oregonians covered by our medical plans. Nearly 115,000 of our members are enrolled in individual and small group plans that would be impacted by the proposed rate filing legislation.

We support many of the provisions of this bill. We would like to see greater transparency into the insurance division's decision-making process regarding rate determinations. Also, we agree that it is important to provide insurance companies with an appeal process for any carrier who does not agree with the final decision by the OID.

We have two primary concerns with the proposed bill. First is the requirement for rates to be filed no later than eight months prior to the beginning of open enrollment. For open enrollment that begins on October/November 1st, rates would need to be submitted on February/March 1st. This is much earlier than the current filing deadline of April 15th. This could hurt consumers, because insurance companies will have less time to evaluate the results of open enrollment for the current year, which could lead to additional costs added for uncertainty of the open enrollment results. In addition, insurance companies will need to build in additional months of medical trend because of the necessity of "backing up" the experience period used for rating.

Second is to the requirement for the insurance division to provide information about the range of rates they would approve. This is something we would not support. Our concern is that if insurers operate in a "reasonable range", it would open the possibility for setting rates based on competitive position and open the door for gaming of the rate setting process. We support the current process where insurers propose precise rates and the department either approves or declines these rates based on actuarial justification from both the insurer and the department.

Thank you again for the opportunity to comment on this proposal. Should you have any questions, please let me know.

Respectfully,

A handwritten signature in black ink, appearing to read 'K. Anderson', written in a cursive style.

Kraig E. Anderson
Senior Vice President and Chief Actuary
Moda Health Plan, Inc.

CC:

Jim Francesconi, Vice President of Public Policy, Moda Health
Fawn Barrie, Lobbyist for Moda Health