

BRIAN J. BOQUIST
STATE SENATOR
DISTRICT 12



OREGON STATE SENATE

February 16, 2015

Senate Floor Letter
Cover Oregon PMPM Fees

Senator MonnesAnderson
Representative Greenlick
Joint Committee on Health Insurance Transition
900 Court Street N.E.
Salem, Oregon 97301

Dear Co-Chairs & Members:

There were two items from the committee hearings that needed follow up: the impact of the per member per month fees, and the fiscal explanation for the IT line item on the -3, -6- and -7.

Cover Oregon was able to confirm in writing that under the State controlled exchange, whether it be Cover Oregon or DCBS, the per member per month (PMPM) fee for operating the exchange is significantly less than the Federal exchange fees. As example, in 2014, the State operated exchange PMPM is 2.88% or \$9.38 per month while the Federal Government charges 3.5% or \$11.39 per month. This saves an Oregonian \$2.01 per month, \$24.12 per year, and Oregonian enrolled in the exchange \$1.4 million per year.

The fiscal explanation Senator Bates and I got from the Cover Oregon, DCBS, DAS, OHA, LFO etc meeting on the IT line item is slightly more complex. At this point, roughly 5% of the \$24.4 million in IT Professional Services is Cover Oregon historical records retention, and 95% is OHA medical assistance program enrollment and re-determination which is the reoccurring yearly process. Oracle is contractually involved in 4 of 7 pieces of the IT professional services line item thus some risk exists given the contractual dispute between the State and Oracle.

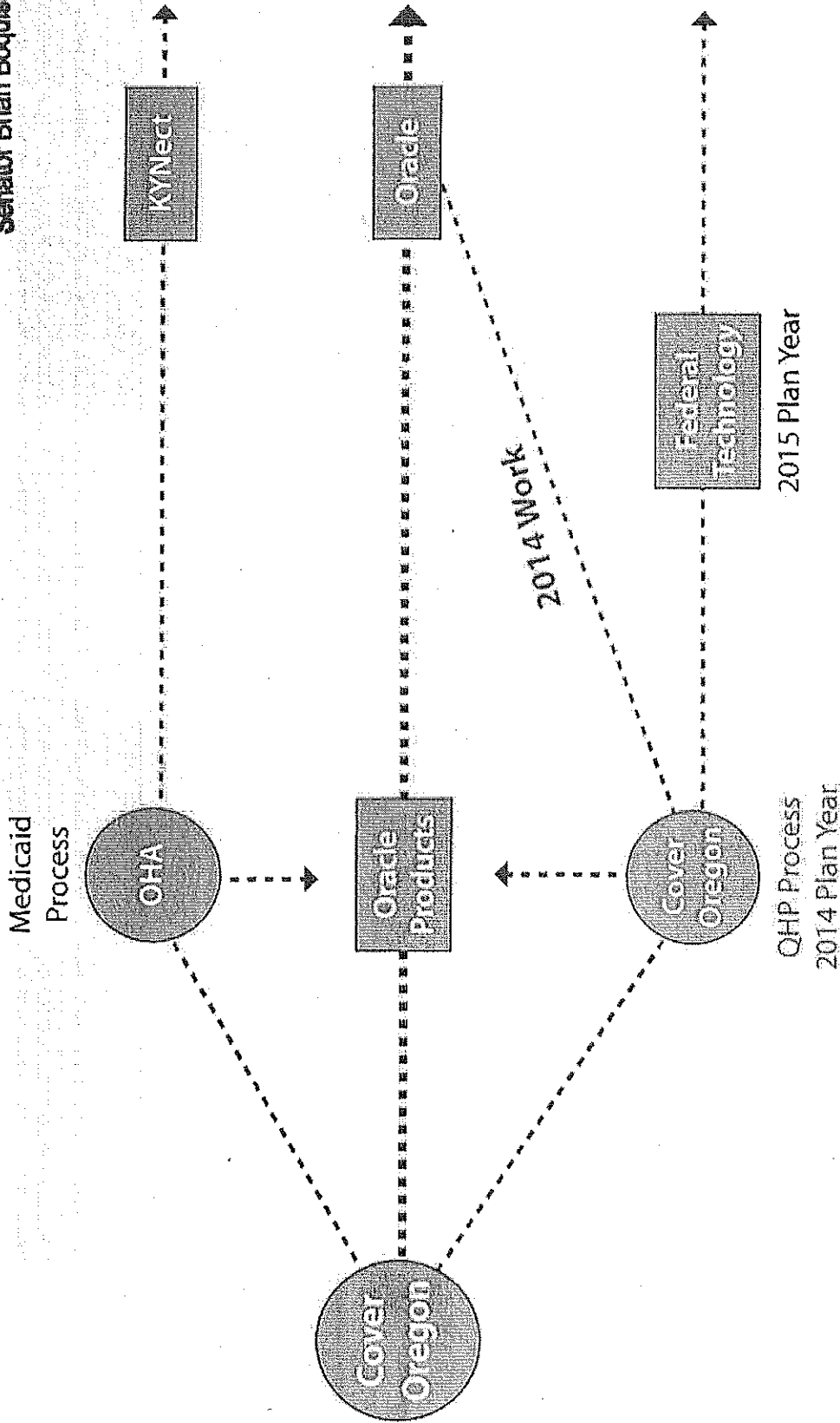
Hopefully, the aforementioned information will be useful to Committee members and Legislators alike.

Sincerely,

A handwritten signature in cursive script that reads "Brian J. Boquist".

Brian J. Boquist
Co-Vice Chairman
Joint Committee on Health Insurance
Transition

Attachment (1)



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