

## LFO Analysis

### Department of Consumer and Business Services

#### Health Insurance Marketplace Marketing and Outreach Budget

---

**Analyst:** Matt Stayner

**Request:** Increase the Other Funds expenditure limitation for the Oregon Health Insurance Marketplace Division of the Department of Consumer and Business Services by \$1,732, 528 for additional marketing and outreach activities

**Recommendation:** The Legislative Fiscal Office recommends that an increase in the Other Funds expenditure limitation for the Department of Consumer and Business Services of \$1,732,528 be included in a budget reconciliation bill during the 2016 session, but that the additional expenditure limitation be unscheduled until DCBS completes its review and analysis of the 2016 open enrollment year campaign and completes its plan for the 2017 open enrollment year campaign.

**Analysis:** The Department of Consumer and Business Services (DCBS) originally estimated the need for and requested a marketing and outreach budget of roughly \$4.0 million in the fiscal impact estimate submitted by the agency during the preparation of the agency's budget during the 2015 session subsequent to the passage of SB 1 (2015). This amount represented about 20% of the core expenditures (net of Oregon Health Authority pass-through items) for the program. At the time, DCBS had not completed a detailed marketing and outreach plan for the Marketplace. The legislatively adopted budget for the Marketplace included \$2,307,672 for marketing, publicity, and promotion and also included the following budget note:

*"The budget for the Department of Consumer and Business services includes funding for marketing and outreach efforts. DCBS is instructed to complete a plan and report on each of the publicity and publication campaigns either upcoming or implemented for the Health Insurance Marketplace Program. The plan and report must be completed and submitted to the Joint Committee on Ways and Means prior to the beginning of the 2016 legislative session. This plan and report must include at a minimum:*

- *A narrative description of each campaign;*
- *The total amount of biennial expenditures of each campaign;*
- *The goals and objectives of each campaign;*
- *The expected results of each campaign activity; and*
- *Identification of the quantitative measures that directly demonstrate the effectiveness of the campaign with respect to the goals of the campaign.*

*It is the intent of the legislature that the information provided by the plan and report is to be used to formulate potential Key Performance Measures related to the expenditure of funds for the publication, promotion, and outreach efforts undertaken by the agency."*

In accordance with the budget note, DCBS submitted a publicity and publication plan and report to the Joint Committee on Ways and Means in January prior to the 2016 session. DCBS segmented the plan in to two outreach and education campaigns; one for the 2016 plan year and one for the 2017 plan year. It is notable that although the 2016 campaign plan is well detailed in the report, there is no detail provided for the 2017 campaign. DCBS states that it believes the 2017 campaign will be

similar in scope and tactics as the 2016 campaign, but that DCBS will begin planning the 2017 campaign only after it has had time to analyze the results of the 2016 campaign.

Of the \$2.3 million budgeted in the current biennium for marketing, publicity, or promotion, the 2016 plan year campaign accounts for roughly \$2.0 million. This request is to increase the expenditure limitation by \$1.7 million and couple that amount with the \$300,000 remaining in the budget to fund the 2017 plan year campaign at the same level as the 2016 campaign.

Preliminary metrics provided in the DCBS report indicate a 20% to 30% increase in the number of Oregonians that have enrolled through the health insurance marketplace in the 2016 open enrollment year over the prior year. DCBS intends to complete a 2016 campaign review and establish baseline metrics for the stated campaign goals and activities included in its report to inform the 2017 campaign and demonstrate plan efficacy.