

Oregon Health Insurance Marketplace

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Oregon Health Insurance
Marketplace



Oregon's Marketplace

What we provide for Oregonians:

- Access to a range of **qualified health plans**/meaningful choice to help individuals and families find the right coverage for them.
- Access to **subsidies** that help pay for premiums and out-of-pocket costs.
- **Information** to help consumers learn about health care coverage.
- **Consumer assistance** through a call center, staff in the field, and trained and certified agents and community partner organizations.

Transition from Cover Oregon

Fall 2014:

- DCBS learns about legislative concept to close Cover Oregon and move functions to DCBS.
- DCBS begins high-level planning to prepare for the possibility.

December 2014:

- Legislation appears likely to pass.
- DCBS and Cover Oregon meet to develop a transition plan.
- DCBS works with Cover Oregon to learn about the marketplace.

March 2015:

- SB 1 enacted.

Senate Bill 1

- Upon passing, dissolved the Cover Oregon Board and granted its authority to DCBS director.
- Transferred functions and duties of Cover Oregon to DCBS on June 30, 2015, only 3 months after bill enactment.
- Maintained Oregon's status as a state-based marketplace.
- Created Health Insurance Exchange Advisory Committee to advise DCBS director.

Legislative Oversight

SB 1 also **restored full legislative oversight** and control of the Marketplace:

- ✓ Through the **budget process**, the legislature has control over program/staffing levels/fund balances.
 - ✓ Position control
 - ✓ Expenditure authority
 - ✓ Fee ratification
 - ✓ Budget notes

Legislative Oversight (cont.)

DCBS must also:

- ✓ **Report to the legislature** annually and, during the 2015-2017 biennium, every time the interim Joint Ways and Means Committee and committees related to health care meet.
- ✓ **Notify every legislator to spend over \$1 million on technology**, and all technology projects must go through DAS and CIO processes/approvals.

What transferred to DCBS

Cover Oregon Functions	HealthCare.gov	DCBS
Oversight and administration		X
Finance (budgeting/accounting/procurement)		X
Policy/rulemaking		X
Plan management		X
Outreach and education		X
Navigator program		X
Stakeholder engagement		X
Reporting/auditing		X
Small Business Health Options Program (SHOP)		X
Call Center	X	X
Individual eligibility	X	
Individual enrollment	X	
Individual appeals and grievances	X	
Individual information technology platform	X	

Other Transitional Work

As part of the transition, DCBS had to handle some one-time work related to the 2014 plan year:

- ✓ 2014 IRS Form 1095-A support
 - Issuing and making corrections to tax forms for consumers.
- ✓ 2014 APTC error support
 - Providing a mechanism for anyone who had issues with Cover Oregon's APTC calculations.
- ✓ 2014 Appeals and grievances
 - Handling any outstanding appeals or grievances related to eligibility and enrollment issues.
- ✓ 2014 eligibility/enrollment
 - Winding down eligibility and enrollment activities (life changes, etc.) related to 2014 plans.
- ✓ 2014 agent commissions
 - Making sure agents received commission payments for enrolling customers.
- ✓ Cover Oregon IT systems decommissioning and data archiving
 - Winding down and archiving according to all federal and state rules.

The Marketplace at DCBS

- Started operating **July 1, 2015**.
- **DCBS director responsible/accountable** for the Marketplace, with feedback and input from Advisory Committee.
- **A smaller, leaner organization** due to economies of scale/cost savings from shared services: 24 current employees vs. more than 100 at Cover Oregon in December 2014
- Has its own fund, **funded through a per member per month fee** on plans sold through the exchange.
- **Works hand-in-hand with stakeholders**, including OHA, CMS, IRS, agents, insurers, etc.
- **Separate from the Division of Financial Regulation** (formerly Oregon Insurance Division)
- **Integrating the Senior Health Insurance Benefits Assistance program**, which provides support for Oregonians on Medicare, to help provide better service to Oregonians.

The Advisory Committee

- ✓ The Advisory Committee will **provide guidance and feedback** on issues affecting the marketplace such as outreach, customer feedback, and insurance plan affordability.
- ✓ It consists of **13 members** appointed by the Governor and confirmed by the Oregon Senate on Feb. 15, representing insurers, insurance producers, navigators, health care providers, businesses, consumer advocacy groups, enrollees in health plans, and medical assistance agencies.
- ✓ The Department of Consumer and Business Services director and Oregon Health Authority director will be **ex-officio members**.
- ✓ The committee will hold open meetings that provide **a forum for public discussion**. It will begin meeting in **March 2016**.

Budget Structure

- The Marketplace has **its own, separate fund**, not dependent on federal grants or the state general fund
- It is currently funded through **a per member per month fee of \$9.66 for medical plans and \$0.97 for dental plans** bought through the Marketplace
- For 2017, the proposed **per member per month fee will be \$6.00 for medical plans and \$0.57 for dental plans**
- The budget includes **continued cost sharing with OHA** for shared licenses

Revenue

- Revenues have been **higher than expected**.
 - November 2015 Interim reporting biennial estimate \$20.9 million in per member per month (PMPM) revenue
 - Current biennial estimate with proposed rate decrease is \$24.9 million in PMPM revenue
 - 18% increase
- Higher revenues are due to an **increase in expected enrollment** as a result of a successful open enrollment campaign, other factors
- Continued leverage of shared licensing costs with OHA

Expenditures

- Original biennial estimate \$32 million
- January 2016 biennial estimate \$24 million
- Current biennial estimate **\$26 million**
 - Increase from January due to contractual obligations related to transitional work (e.g. 1095A support)
- Potential future costs:
 - SHOP
 - Additional Centers for Medicare and Medicaid Services (CMS) Security requirements

Ending Fund Balance

- Due to the differences in revenues and expenses from initial projections, **the ending fund balance is higher than anticipated.**
- Currently the maximum allowable fund balance is equal to **6 months of expenditures.**
- DCBS is proposing administrative rules which defines the process for rebating excess fund balance.
- Current ending biennial fund balance for June 2017 is **approximately 14 months of expenditures.**

Budget Updates

- We based forecasts on best information at the time, under tight deadlines, with the intention of **coming back to revise as more information became available.**
- DCBS is **requesting changes related to staffing and outreach and education.**
- DCBS is currently **assessing the costs of technology platforms,** including a SHOP platform, to determine impacts on the fund balance.

Technology System

- CMS proposes a fee of **3% of premiums** for HealthCare.gov = \$13 million per year, starting in 2017. CMS is considering a lower initial fee. This fee is in addition to the fee the state currently charges to cover all other Marketplace costs.
- To make sure HealthCare.gov is the best use of public dollars, DCBS released **an RFP to gather information and compare costs/functionality** of HealthCare.gov to other off-the-shelf, systems.
- The RFP due date has been extended to Mar. 4. After reviewing proposals, we will prepare an **analysis of the options** for the legislature.

Open Enrollment Update

- Open enrollment occurred between **Nov. 1 and Jan 31**. It was the time of year when Oregonians could **sign up, renew, or change plans**.
- We ran an aggressive, **targeted outreach campaign** to provide information, resources, and assistance to Oregonians.
- **147,109 Oregonians enrolled**, which is **35,000 more** than peak enrollment for the 2015 plan year. As of Dec. 26, **70%** of enrollees were receiving tax credits averaging **\$256** per month.
- Oregon is **1st among HealthCare.gov states** for highest percentage of enrollment compared to last year and **1st among HealthCare.gov states** for enrolling subsidy eligible consumers.
- We are in the process of **analyzing data and successes** from this year to inform our planning for next year.

DCBS Budget Note

- DCBS prepared a report for the legislature to provide the information requested in the HB 5012 **budget note** about our outreach and education campaigns.
- The budget note required us to include:
 - 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.

2016 Outreach Campaign

- The goals of the 2016 campaign were:
 - **Drive enrollment** in the Marketplace, especially for subsidy eligible Oregonians
 - Encourage customers to **actively shop** instead of auto-reenroll
 - **Build trust** with customers and stakeholders
- The campaign was **highly targeted** and included:
 - Outreach to Marketplace and subsidy eligible Oregonians, the remaining uninsured, minority audiences, and small businesses
 - In the field outreach and education, including enrollment events and meetings
 - Paid media focused on digital advertising
 - Spanish and Russian language advertising
 - Earned media
 - An agent storefront program and a consumer assistance navigator program
 - Materials and support for agents and partners
- The cost of the campaign was just over **\$2 million**, on par with what other states spend.
- Early data suggests **the 2016 campaign has been an overall success** based on qualitative measures, including enrollment numbers, media analytics, and customer and stakeholder feedback.

2016 Campaign Results

The 2016 campaign helped **drive enrollment and reach target audiences:**

- More than **147,000 Oregonians enrolled**, an increase of 35,000 people or 31% over last year, **more than any other HealthCare.gov state**
- More than **134 million ad impressions** served to Oregonians, resulting in more than 205,000 ad clicks for a click-through rate of .15%, **almost twice the industry average** of .08%
- More than **353,000 website sessions** on OregonHealthCare.gov
- **51 news articles** in publications with **circulation in the millions** resulting from our press releases and reporter outreach, in a year when most states struggled to get media coverage
- More than **16,000 customers served by our 24 storefront agents**, including 11,724 existing customers and 4,655 new customers.
- Almost **3,000 customers served by our 4 community partner organizations**
- More than **1,600 phone calls and 300 emails** from consumers handled by our Outreach Center and **67 events and informational meetings** staffed by DCBS

2017 Outreach Campaign

- We are now **collecting data** from our 2016 campaign and will use that to inform our planning for next year. Detailed planning will begin in March and continue through August.
- For 2017, we plan on **a similar campaign to 2016 to replicate and build on this year's successes.**
- Like the 2016 campaign it will be **highly targeted, based on research and data** about key audiences, including the remaining uninsured.
- Due to the similarity to the 2016 campaign, we expect a need for another \$2 million and need authority for an **increase of spending authority of \$1.7 million.**
- **We need funding starting now** to pay for research and plan development.



Questions?