



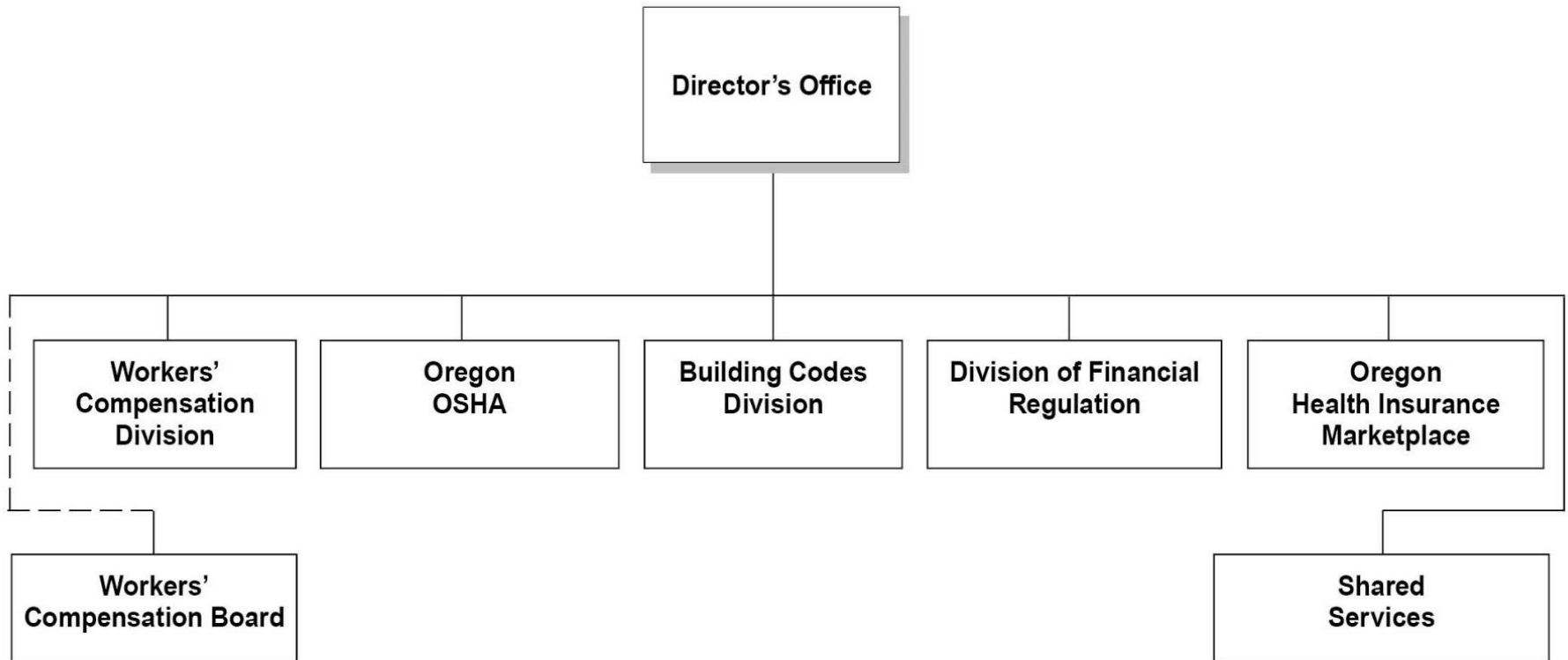
How DCBS regulates health insurance

Our mission:

Protect consumers and workers while supporting a positive business climate.

- Consumer protection includes:
 - Protecting access to fair insurance and financial products
 - Provide education, regulation, and consumer assistance
 - Assist with enrollment in health insurance plans that best fit health and financial needs

DCBS Organizational Chart



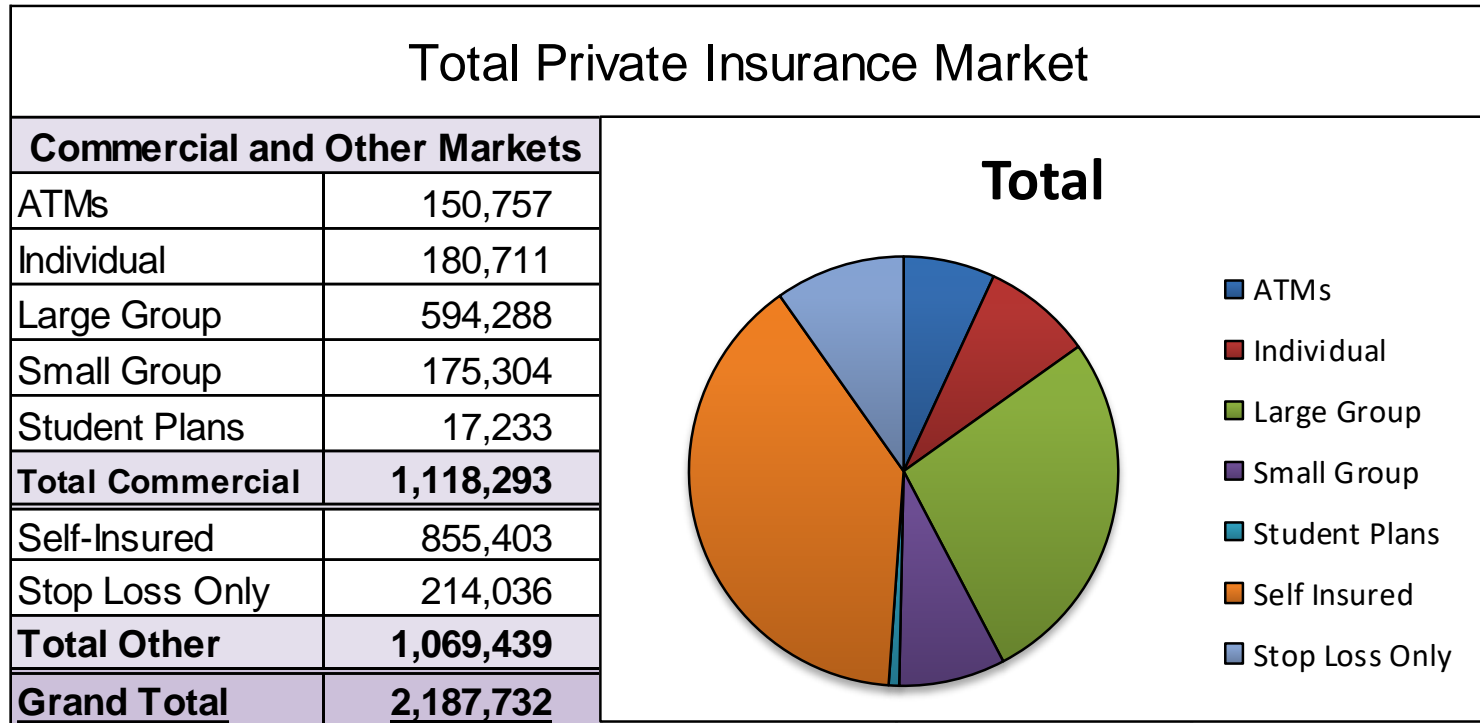
The DCBS role in health care

- Regulation of Commercial Health Plans
 - Front-end review of health plans
 - Drug price information
 - Lowering costs through the Oregon Reinsurance Program
 - Consumer protection and assistance through Consumer Advocacy team
 - Compliance and enforcement
- Facilitator of the Health Insurance Marketplace
 - Connect Oregonians to coverage through outreach and assistance
 - Primary audience is people eligible for coverage through HealthCare.gov (additional work described in later slides)
 - Limited regulatory role: contract with insurance companies to sell plans in Oregon on HealthCare.gov, and certify plans that meet standards

DCBS regulation of health insurance

- We regulate
 - Individual health insurance plans (on and off Marketplace)
 - Group health insurance plans purchased by an employer (small or large)
 - Associations, trusts, and MEWAs
- What we do not regulate
 - Medicaid
 - Medicare (including Medicare Advantage)
 - Self-funded employer plans
- Rates for individual and small employer plans must be approved by DCBS before they can be offered.

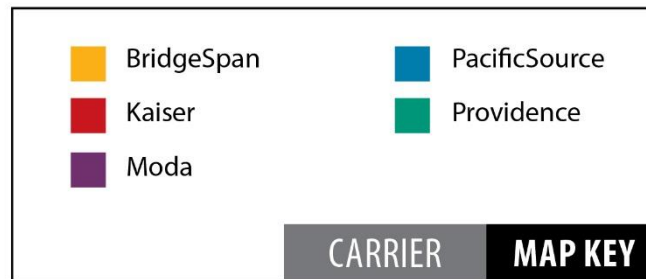
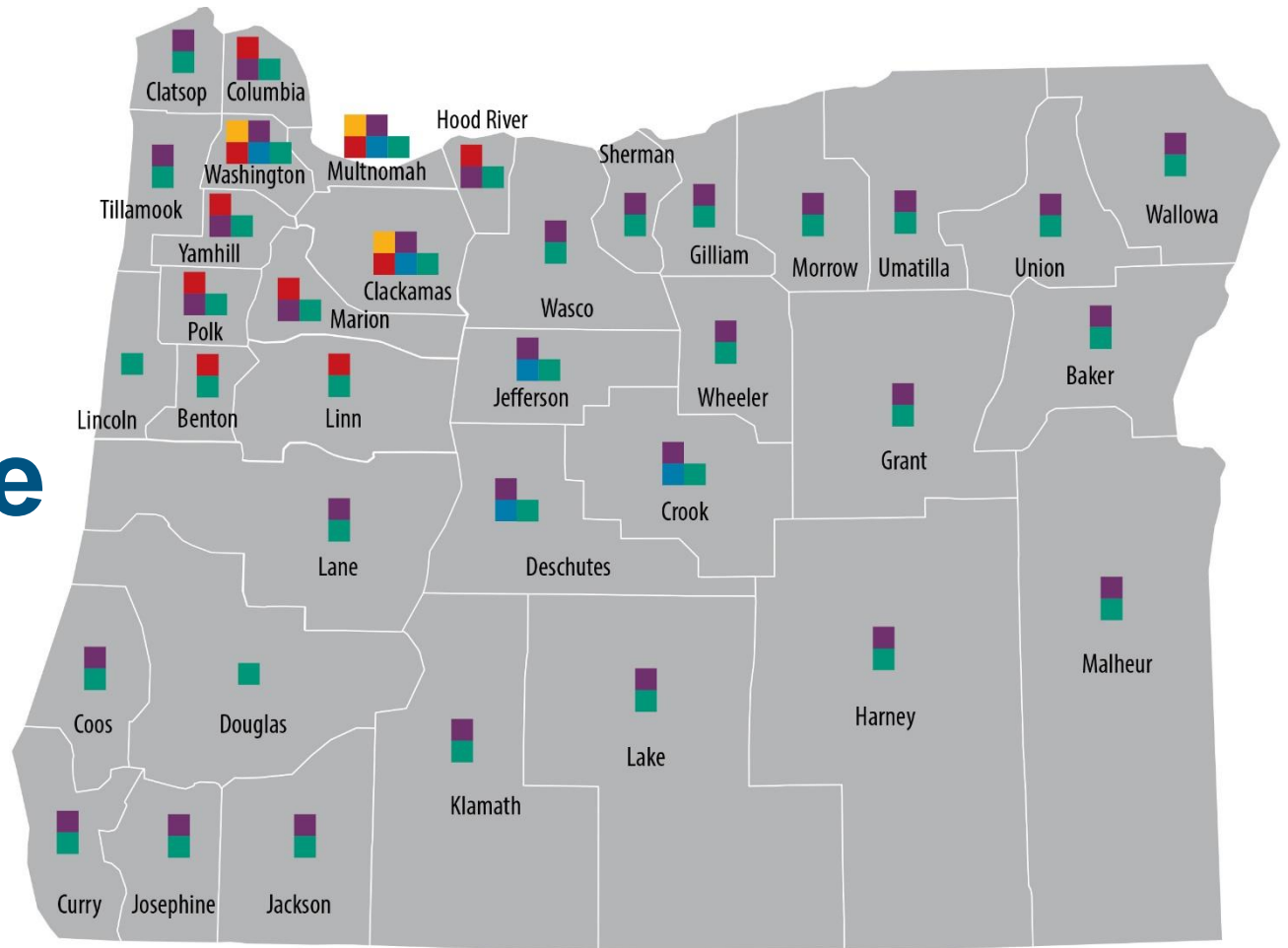
Oregon's Health Insurance Markets



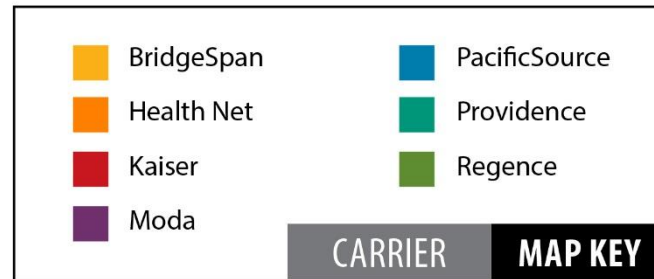
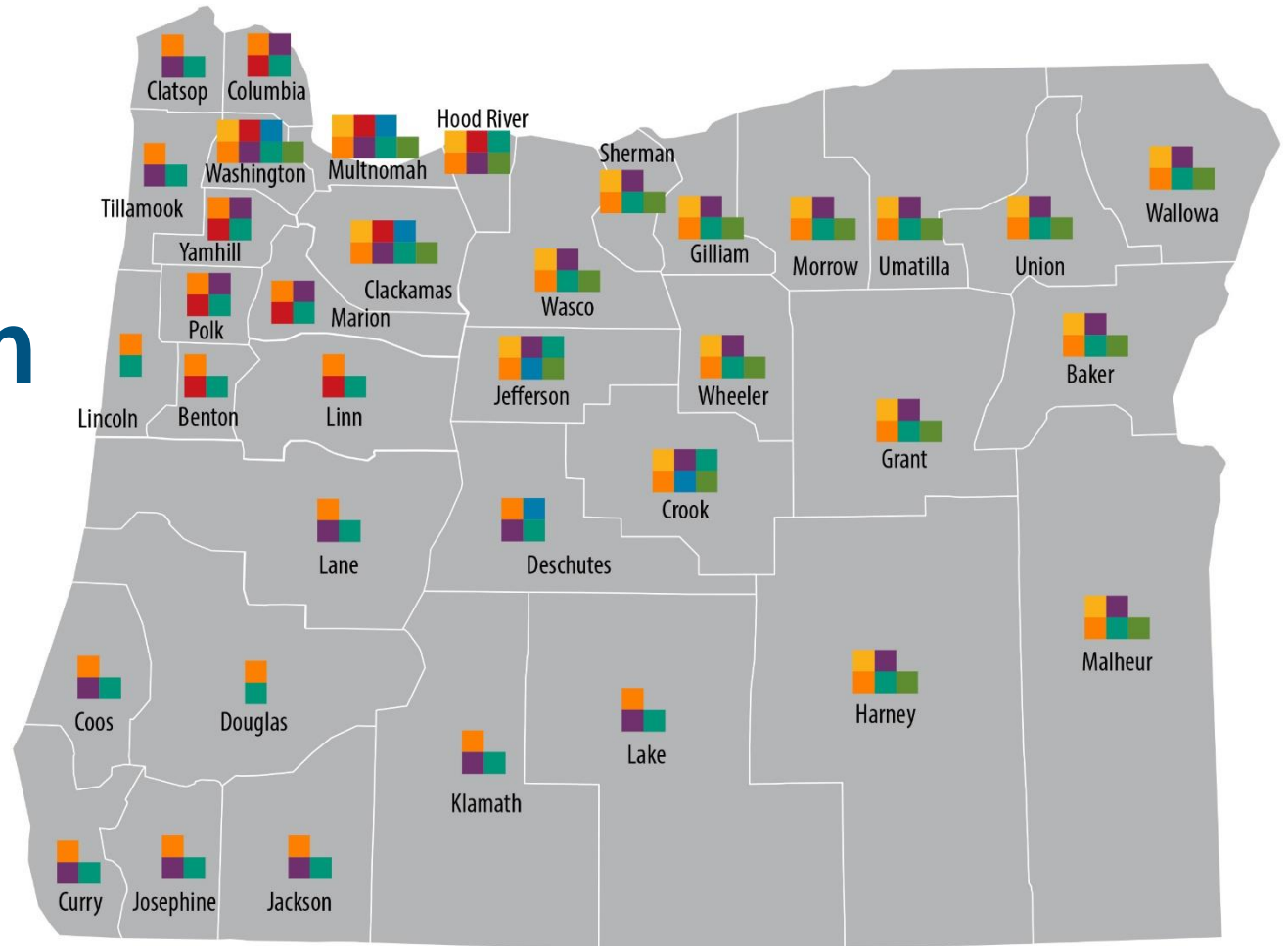
Oregon's individual health insurance market

- Through the end of 2019 open enrollment period:
 - 179,995 Oregonians enrolled
 - 120,000+ through the Marketplace (initial reports by carriers to DFR)
 - HealthCare.gov official numbers will be covered in Marketplace slide
 - 58,229 directly with a carrier
- Carriers and competition:
 - Seven carriers offering individual health benefit plans
 - Five of those offering through the Marketplace
 - Most counties have multiple options at least one plan available on and off the market

Oregon private plans on HealthCare .gov



Oregon private plans from carriers



Health benefit plan basics

- Oregon law aligns with ACA in many respects:
 - Guaranteed issue
 - Community rating
 - Pre-existing conditions
- Multi-session effort to further align them
 - Senate Bill 250 (2019)

Health insurance rate review

- Rates for individual and small group health plans must be:
 - Actuarially sound
 - Sufficient and not excessive
 - Reasonable in relation to benefits offered
 - Based on reasonable administrative costs
- The Division of Financial Regulation reviews these rates before plans are sold in Oregon

Health insurance rate review: process

- Recognized as a national model for transparency
- All rate filing documents and correspondence between the division and carriers is publicly available
- The division accepts public comments and holds a public hearing on all rate filings
- Key factors include geographic rating areas, age tobacco use, family size, and plan selection

Average Annual Rate Increases (weighted)

Year	Individual	Small Group
2008	21.3%	13.4%
2009	14.9%	10.4%
2010	15.5%	11.6%
2011	9.0%	6.6%
2012	7.0%	4.1%
2013	7.1%	5.8%
2014	*	*
2015	5.7%	2.8%
2016	23.0%	0.0%
2017	27.0%	4.6%
2018	13.8%	8.2%
2019	7.3%	2.1%

* No data – first year of ACA and rates are not comparable to prior years.

Consumer education and advocacy

- The division's consumer outreach and advocacy team:
 - Educates consumers about their rights and handles complaints related to insurance and financial
 - Hosts and attends outreach events to educate consumers about insurance and financial services
 - Works with consumers and their insurance and financial services companies to resolve issues
 - DFR recovered nearly \$4 million for consumers in 2018

Compliance and enforcement

- The compliance and enforcement teams:
 - Evaluate market conduct of licensed entities
 - Network adequacy review - ensures provider networks' services are accessible without unreasonable delay
 - Investigate allegations of insurer violation of Oregon law
 - Recent Examples:
 - \$60,000 penalty for an insurer increasing premiums of 804 Medicare supplement policies
 - Insurer made 974 claim processing errors that led to more than \$240,000 in adjustments and specialized training for staff

Oregon Reinsurance Program

- Part of House Bill 2391 (2017) to stabilize rates for consumers purchasing insurance on the individual market.
- Lowered rates by approximately 6% in 2018 and 2019
- Funding comes from one-time state funds, a portion of the premium assessment, and federal pass through funding under Oregon's approved 1332 waiver
- Funding from U.S. Department of Health and Human Services budget; not subject to shutdown

Drug Price Transparency Program

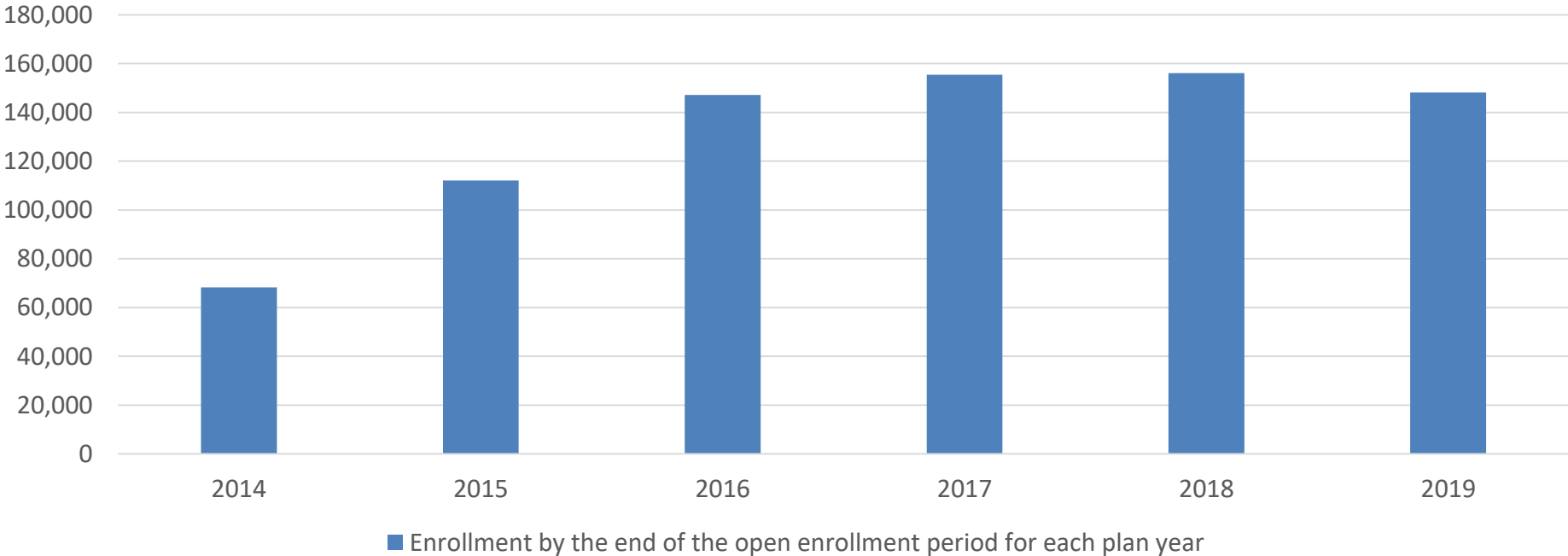
- Established under House Bill 4005 (2018)
- Directs drug manufacturers to report on key data to DCBS
- DCBS must:
 - Hold hearing to collect information on drug prices
 - Collect public inquiries about the price of prescription drugs
 - Report on data, trends, and information to the Legislative Assembly by Dec. 15 each year
- Program rules had public hearing Jan. 22

Health Insurance Marketplace connecting Oregonians to coverage

- Marketplace division is the state-level partner to HealthCare.gov
- Oregon is unlike most states using HealthCare.gov
 - Fund, operate, and monitor outreach and enrollment-assistance here; don't rely on federal advertising or federal outreach programs
 - Actively contract with insurance companies to sell Oregon plans on HealthCare.gov; review and certify plans meeting state standards
- Outreach staff members travel the state, telling community groups and the public about coverage options
- At least one outreach staffer covers your district within their region

Health Insurance Marketplace connecting Oregonians to coverage

Enrollment by the end of the open enrollment period for each plan year



Health Insurance Marketplace connecting Oregonians to coverage

- Marketplace division is home to two more programs
- Compact of Free Association Premium Assistance Program
 - Fills a health care gap faced by people in Oregon who are citizens of three Pacific islands and live here legally under a treaty called the Compact of Free Association (COFA)
 - These legal residents do not, under federal law, qualify for Medicaid, regardless of income
 - The program connects this population to coverage and subsidies through HealthCare.gov, and further subsidizes the coverage for COFA islanders with Medicaid-level incomes

Health Insurance Marketplace connecting Oregonians to coverage

- Oregon Senior Health Insurance Benefits Assistance (SHIBA) program
 - Assists and advocates for Medicare beneficiaries in Oregon
 - Operates a call center and network of volunteers to counsel Oregonians on choosing, understanding, and using a Medicare plan
 - Team members travel the state educating about Medicare coverage and Medicare fraud prevention

Questions and discussion