



July 22, 2022

To Members of the Bridge Health Care Program Task Force:

The Oregon Association of Health Underwriters (OAHU) appreciates the significant effort the Task Force is putting into designing a potential "Bridge Plan," and also, critically, how it would serve individuals as well as its impact on the Individual insurance market.

OAHU's members are experts in health insurance benefits. We work with Individuals and businesses to help them select appropriate benefit plans, and we work with our clients on benefits administration issues. Fundamentally, we are advocates for health benefits consumers. In the Individual ACA plan market, too often OAHU members are sought out by people who, through no fault of their own, selected a health plan through the federal marketplace that is not appropriate for them, and they seek OAHU members' help in moving to a better plan.

Health benefit plans, as you know from your work on the Task Force, are complex products. Selecting one via the Exchange website alone carries much higher risk of error than buying a book on Amazon. A bad book might cost a little time and \$10-\$40. Selecting an inappropriate health plan can cost thousands of dollars and a lot of personal stress.

In regard to the Bridge Plan, we appreciate that it would, in effect, provide needed subsidy for lower income Oregonians who cannot easily absorb large out-of-pocket costs, yet who make "too much" money to qualify for Medicaid. When out-of-pocket costs create barriers to care rather than important economic signals to nudge consumers, these barriers may lead to poor health outcomes and much larger costs. That is why OAHU supported legislation that passed in the recent Session requiring 100% coverage of up to four primary care visits per year.

We urge the Task Force to continue to take additional time to dig into the still-significant unknowns related to the proposed program. Specifically, we recommend considerably more work on the four following questions:

1. What state financial resources would it take to make up the difference between federal funds now paying for Silver Plan subsidies and the actual cost of a Bridge Plan? The Task Force has been presented assumptions that the federal subsidies would be adequate to cover these costs. Yet that requires assuming that a benefit considerably more generous than a Standard Silver Plan will not actually cost considerably more, will not invite adverse selection, and that health care providers broadly will accept below-market payments for care.
2. What effects would the Bridge Plan, as currently outlined, affect the Oregon Individual ACA market and the health plan members who depend on it? While the Individual market has stabilized in recent years, thanks in part to an effective reinsurance program, it remains in an actuarially delicate balance.

3. If a Bridge Plan is enacted with a mandate to pay below-market rates to providers, then what effects would that policy choice have on plan members' access to provider networks? And to what degree would it worsen cost-shifting to the rest of the commercial market?
4. What reasonable cost-sharing strategies could be used to positively influence Bridge Plan member behavior and truly bridge between the "free" benefit experience of Medicaid and higher levels of the commercial market, to which some Bridge Plan members hopefully will progress as their incomes increase? In general, OAHU would recommend a sliding-scale approach, to avoid creating a benefits cliff. More information about the population-level claims experience of those likely to leave Medicaid would help to inform plan design. As a population, is this a high-risk or high-utilization population, or does it look more like a commercial population in which, as an actuarial rule of thumb holds, 20% of members account for 80% of claims costs and 5% account for 50%?

Because, as widely expected, the Biden administration helpfully has extended the federal COVID-19 State of Emergency, the Task Force has several additional months to further develop detailed information on these and other important questions. OAHU is not suggesting that the Task Force make perfect the enemy of pretty good. Yet we suggest that considerable caution and taking the time to narrow the universe of significant unknowns are in order, and defer judgment on how to proceed until much more complete information can be developed.

Respectfully submitted,

/s/

Julianne Horner  
President

/s/

Tim Rasch  
Immediate Past President