

March 8, 2023

RE: **SB 972**

Senate Committee on Health Care

Chair Patterson and Members of the Committee:

My name is Patrick O'Keefe, with Cascade Insurance Center in Bend, OR. I am opposed to SB 972.

The ability for purchase of Individual and family health plans through the Oregon Healthcare Marketplace has existed since 2014. While the annual open enrollment period is limited to a certain time of year, the Marketplace also allows a Special Enrollment Period (SEP) for anyone who has a qualifying life event throughout the year such as an involuntary loss of other health coverage. This includes the loss of OHP benefits. The SEP provides a two-month window that guarantees access to individual health plans so people can move from OHP to a Marketplace plan and back to OHP, if need be, as their situation changes. These plans can even be retroactive to the date of the loss of OHP benefits. The carriers and the plans they are offering vary throughout the State. In Deschutes County individual and family plans are offered through the Marketplace by PacificSource, Providence Health Plan, Regence Blue Cross Blue Shield of Oregon and Bridgespan. And there are no waiting periods for any pre-existing conditions or any other penalties associated with migrating to one of these plans.

When enrolling in a health plan through the Marketplace there is the potential to receive an Advanced Premium Tax Credit (APTC) to offset the cost of the monthly premium. This can, in many instances, dramatically reduce the monthly premium and, in many cases, improve benefits by lowering the deductible, copayments and maximum out of pocket expenses (this is called cost sharing). Since household income is the biggest factor in determining the amount of the tax credit, anyone who is just above the limit to receive OHP benefits is very likely going to receive the largest tax credit as well as the improved cost sharing benefits. The APTC is commonly received as an advance from the IRS in the form of a monthly payment from the IRS to the insurance carrier on the behalf of the insured. The insured is then only billed the balance for their premium. Some people are paying as little \$5.00 per month for their portion of the premium and have a plan with excellent benefits.

Also, in 2021, the American Rescue Plan eliminated the subsidy cliff which was the income level at which point a household would no longer qualified for a tax credit. Prior to this change, families and older adults were disproportionately affected by the subsidy cliff. Eliminating the cliff meant that many more households became eligible for the tax credit.

Not everyone will be eligible to receive a tax credit to offset their health insurance costs. But before rushing into creating another state-based plan we should utilize the option that already exists and was devised for situations exactly like the one about to happen to many OHP members.

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