

March 8, 2023

The Honorable Deb Patterson, Chair
Senate Committee on Health Care Oregon Senate
900 Court St NE
Salem, OR 97301

RE: SB 972 State-based Marketplace

Dear Chair Anderson and members of the Committee:

Thank you for this opportunity to provide testimony in support of **SB 972**, which would establish a state-based marketplace. For the record my name is Kraig Anderson and I currently serve on the Marketplace Advisory Committee, but I am submitting this letter in my capacity as a Senior Vice President and the Chief Actuary for Moda Health. Moda Health has offered both medical and dental products on the Oregon Marketplace, since its inception in 2014.

There are many reasons that Oregon would benefit from a state-based exchange. These include greater flexibility, cost savings, increased access to data and the potential to expand coverage. For the purposes of my testimony, I have chosen to focus on the increased flexibility that a locally controlled platform offers and why it will help Oregon achieve its healthcare policy objectives.

Oregon has always been a pioneer in healthcare reform and innovation. Unfortunately, Oregon's reliance on the Federal Facilitated Exchange limits what we can do. State-based Marketplaces provide the flexibility to develop customized eligibility and enrollment processes. This was most recently highlighted by the Task Force on the Bridge Health Care Program. A preferred option discussed by the task force was the concept of "optionality", which would allow people eligible for the Bridge Plan to choose between the Marketplace and the Basic Health plan. This option is only possible if Oregon has a state-based marketplace.

Oregon has made great strides in expanding insurance coverage to all Oregonians. As a result of continuous Medicaid coverage during the pandemic, people with insurance coverage increased from 94% in 2019 to 95.4% in 2021. For African Americans, coverage increased from 92% to 95% during the same timeframe. With the end of the public health emergency, more Oregonians will be seeking insurance coverage. States with state-based marketplaces can create their own open enrollment periods, special enrollment periods and more streamlined enrollment processes. A state-based marketplace will provide more flexibility to establish more tailored approaches to how and when Oregonians who qualify for federal subsidies can enroll through the exchange.

Over the past few years, seven states have made the decision to transition from the Federally Facilitated Exchange to their own state-based marketplaces. Texas and Illinois are considering similar legislation in 2023. Circumstances and technology have changed since the inception of the Affordable Care Act over a decade ago. Contractors nationwide have a well-established track record of creating and running state insurance marketplace platforms. In all these states, they cited increased flexibility, cost savings, access to data, and the ability to customize their outreach to uninsured residents among the reasons for making this transition.



In closing, I appreciate the opportunity to submit these comments in support of **SB 972**. I believe it is the right path for Oregon to consider at this time because a state-based marketplace will help Oregon continue to be a national leader in health reform and innovation for years to come.

Thank you.

Sincerely,

Kraig Anderson
Senior Vice President and Chief Actuary



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