The Affordable Care Act and Oregon, 2026

Department of Consumer and Business Services

Presenters:
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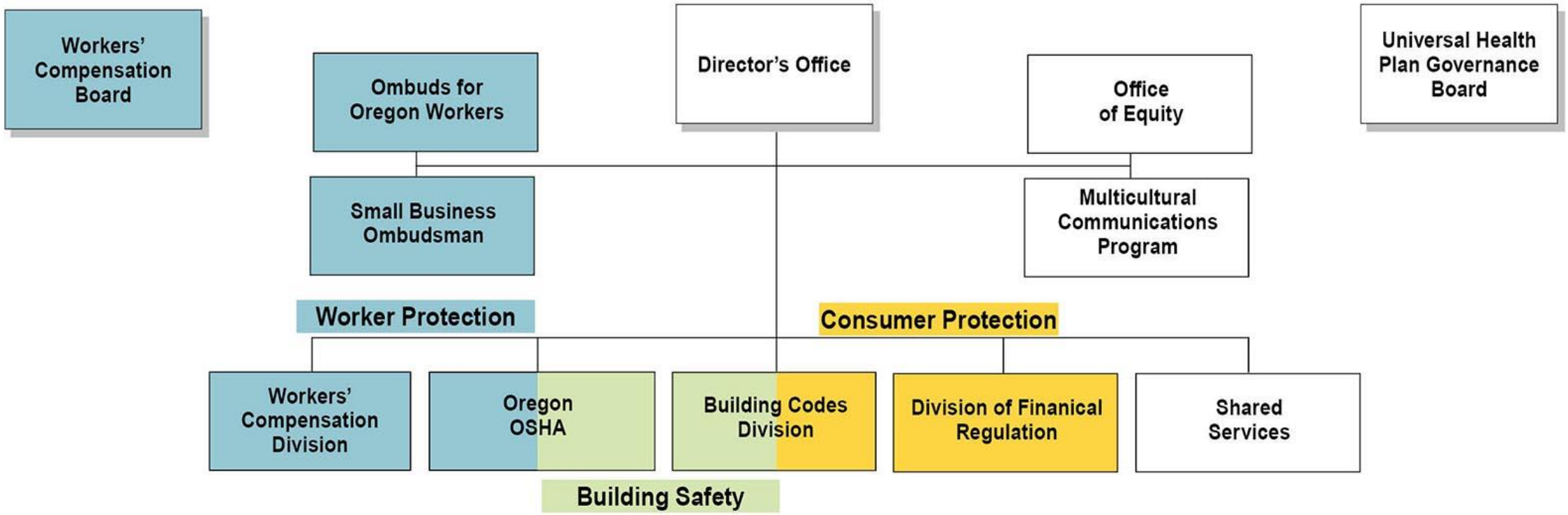
Numi Lee Griffith, senior policy advisor

DCBS | Department of Consumer and Business Services

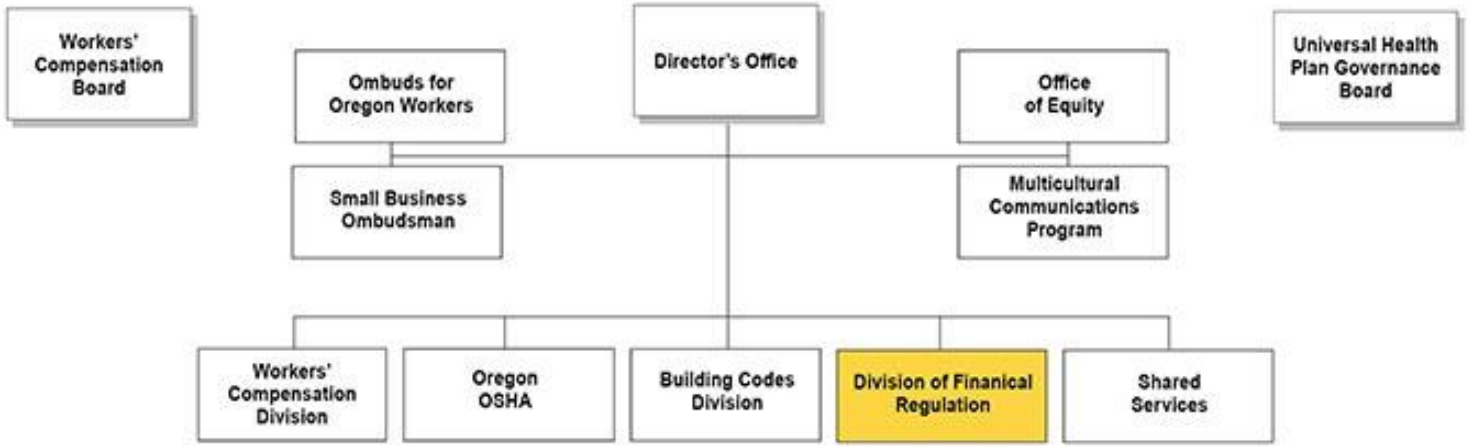
DCBS organizational chart



Mission: *To equitably protect and empower consumers and workers while maintaining a predictable yet innovative regulatory environment for the businesses we regulate.*

Division of Financial Regulation

Protecting Oregonians' access to fair products and services through education, regulation, and consumer assistance



Division of Financial Regulation: Mission

The Division of Financial Regulation ensures that:

- Insurance companies are financially sound
- Consumers are treated fairly
- Insurance agents and other licensed insurance professionals are held to high standards
- Transparency occurs to the greatest extent possible within the pharmaceutical drug ecosystem

DFR: Major regulatory functions

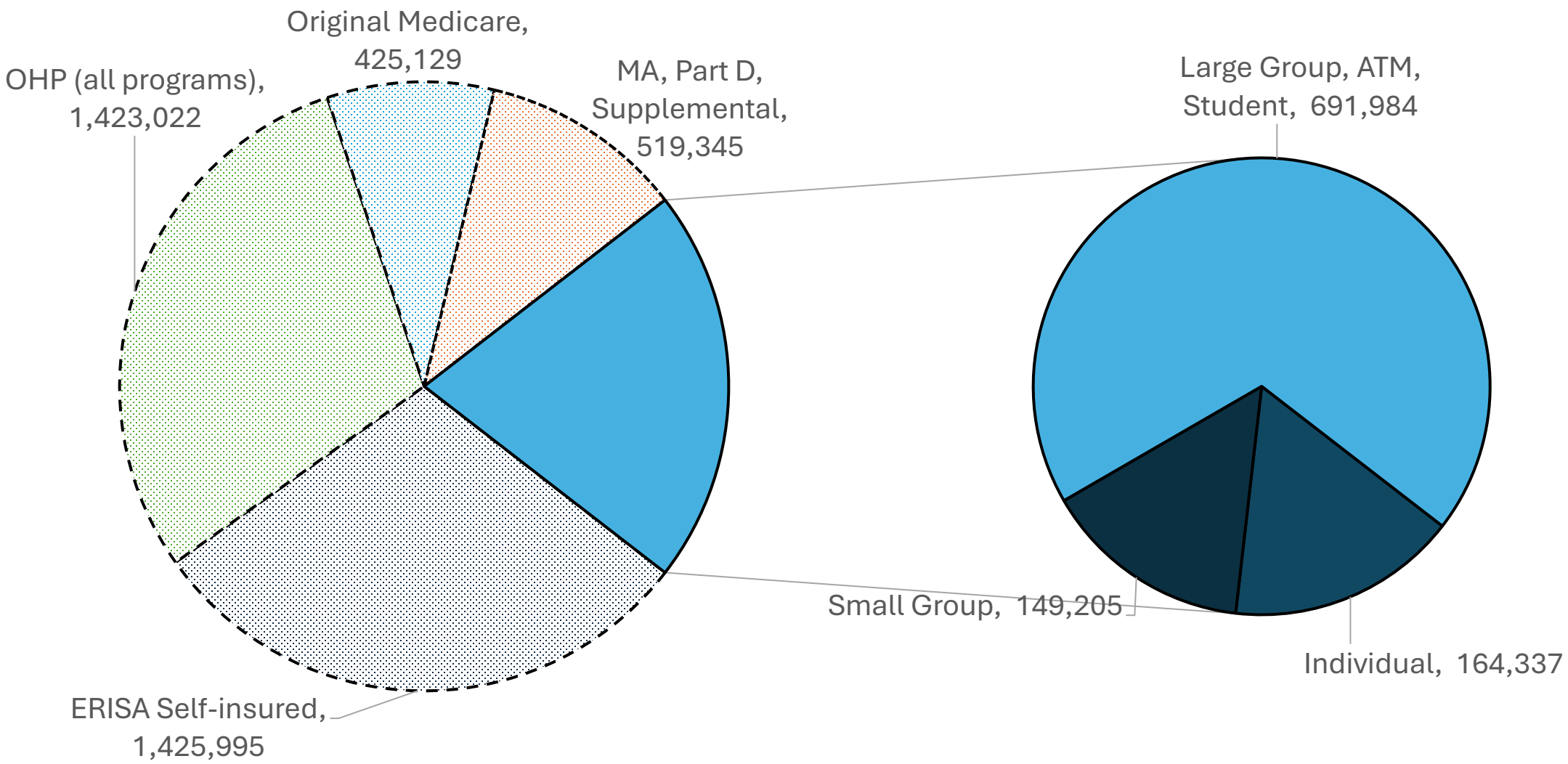
- Complaints and consumer advocacy
- Public education and outreach
- Product regulation
- Compliance
- Investigations
- Enforcement

DFR: Insurance regulation

- **States are primary insurance regulators**
  - Solvency oversight
  - Licensure of companies and producers
  - Review of rates and forms

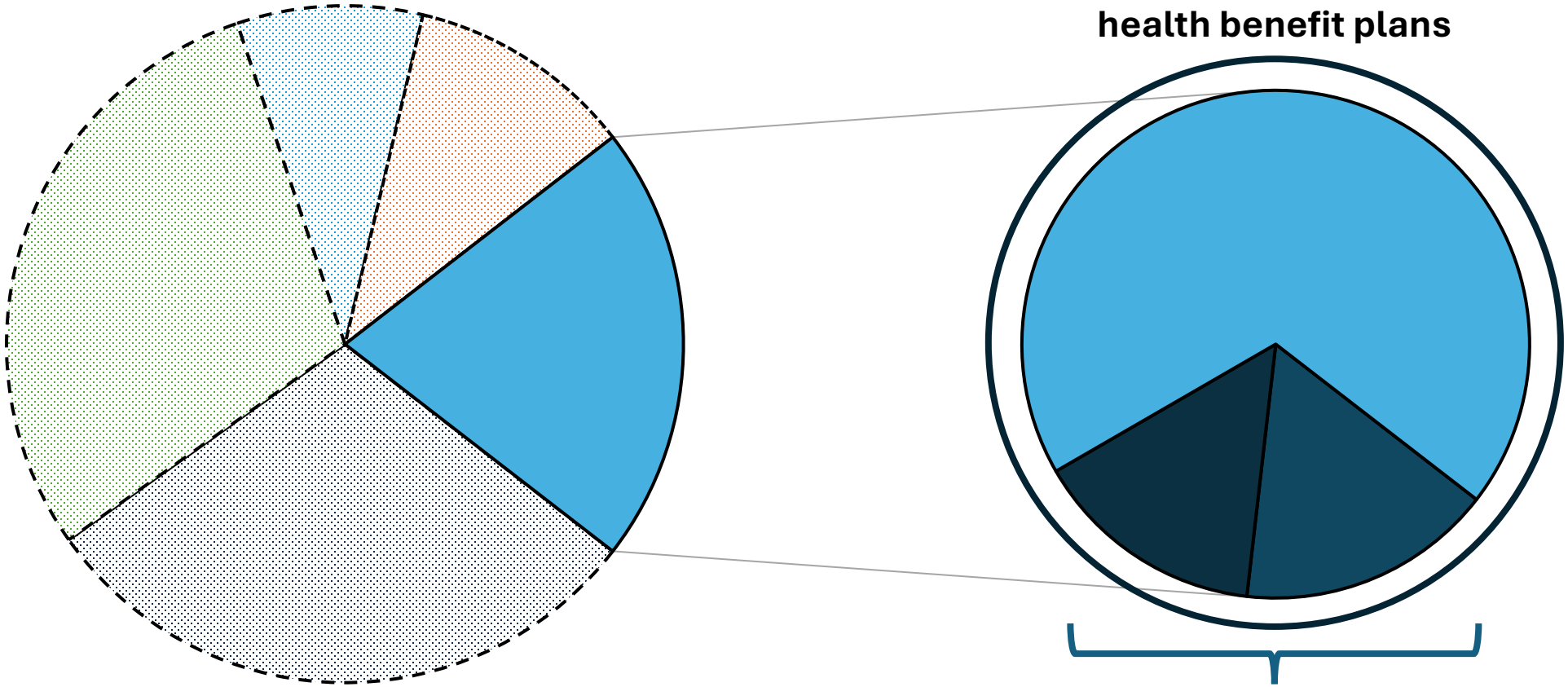
- **The National Association of Insurance Commissioners (NAIC)** allows state insurance regulators to build on each other's work and collaborate on regulation of multi-state insurers.

Health insurance enrollment in Oregon, Q3 2024



Data reflects enrollment as of September 31, 2024. Commercial and ERISA figures from DFR. Medicaid and Medicare from OHA and CMS, respectively.

Health insurance enrollment in Oregon, Q3 2024



Data reflects enrollment as of Sep. 31, 2024. Commercial and ERISA figures from DFR. Medicaid and Medicare from OHA and CMS, respectively.

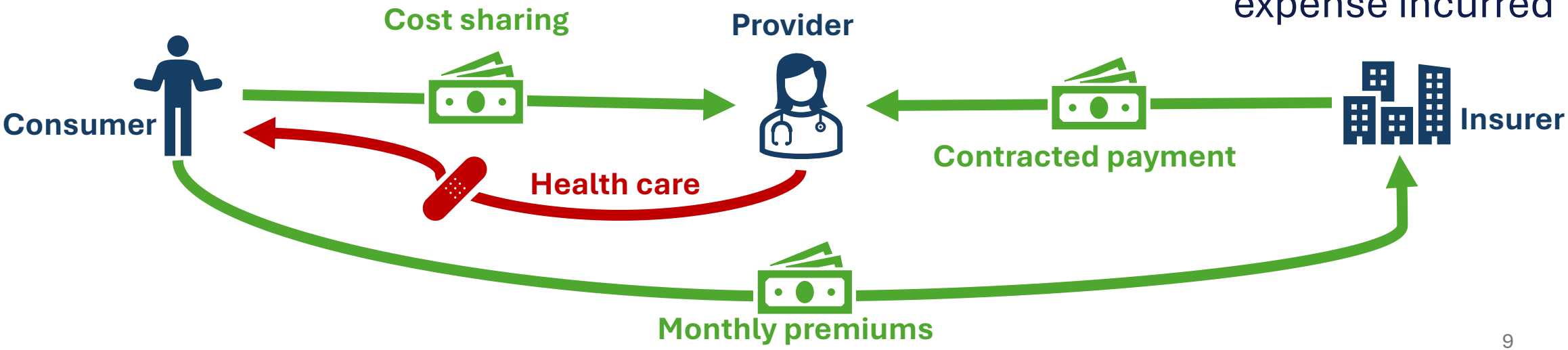
Insurance 101: Actuarial value and cost sharing

Actuarial value ("AV") is how we measure the generosity of a health insurance benefit, expressed as the percentage of costs that an insurer will cover out of every dollar of expenses

Co-pay – consumer pays a fixed value for a given service

Co-insurance – consumer pays a percentage of what the provider bills

70% AV = insurer pays, on average, 70 cents of every dollar of health expense incurred



ACA 101: Metal tiers

The Affordable Care Act categorizes health plans into four “metal tiers”: Bronze, Silver, Gold, and Platinum

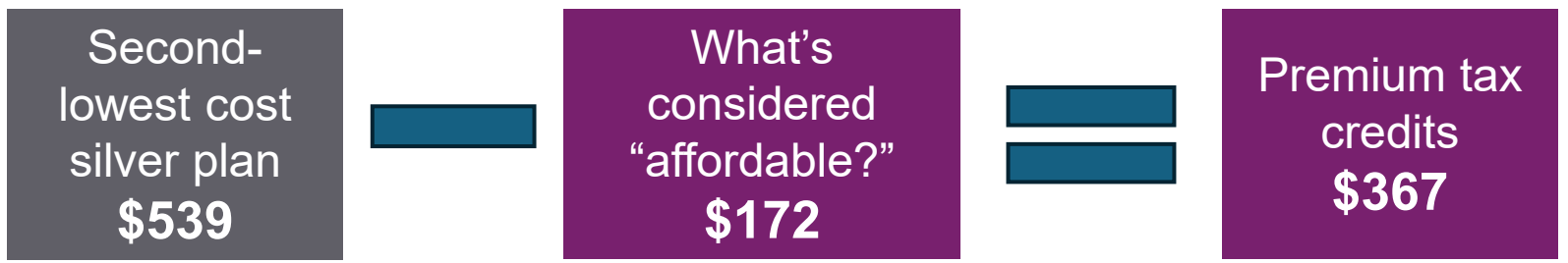
BRONZE	**60% AV**
SILVER	**70% AV**
GOLD	**80% AV**
PLATINUM*	**90% AV**

*Currently, no platinum plans are offered in Oregon.

ACA 101: Premium tax credits

Example: A single adult, 40, earns $31,300 per year

Monthly income: **$2,608**

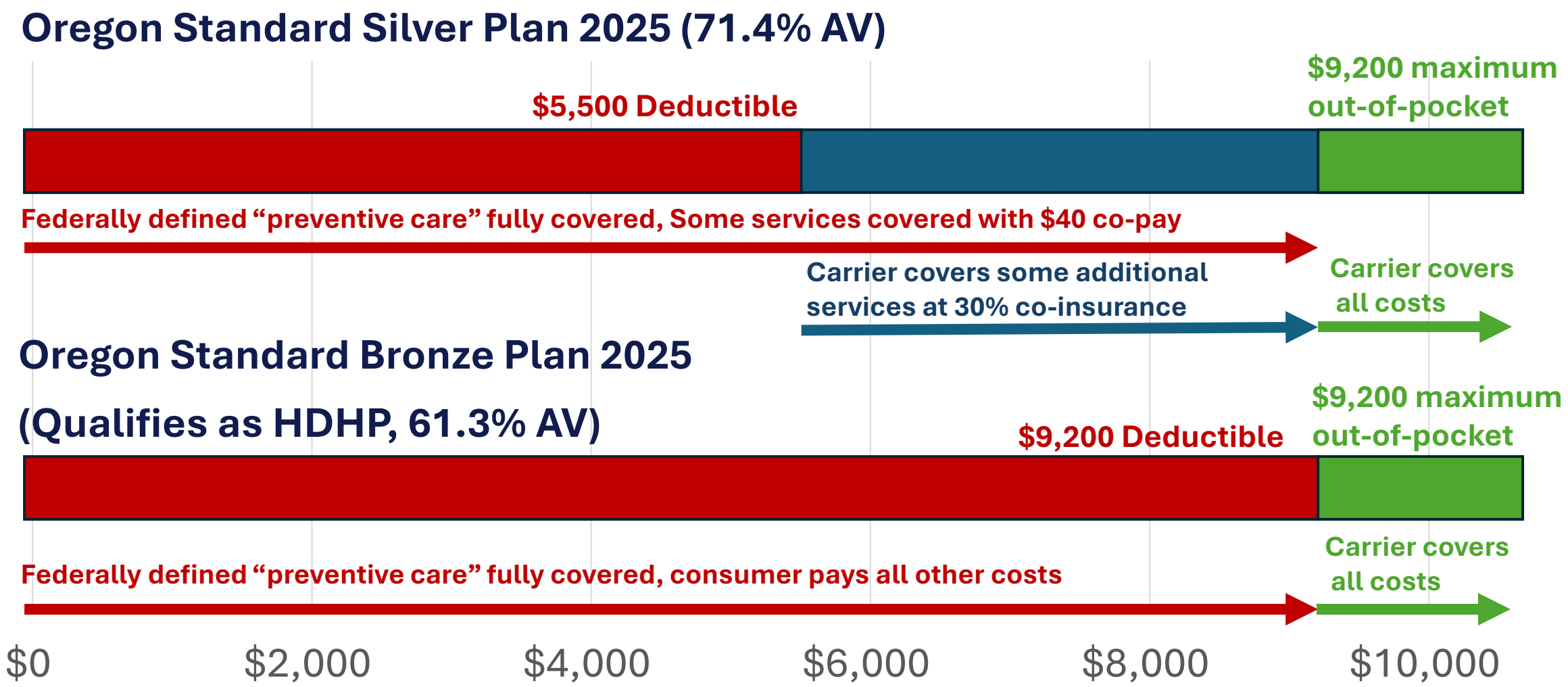


PTC may be applied to any health plan offered on Healthcare.gov

	Bronze	Silver	Gold
Monthly premium	$401	$539	$582
Tax credit	$367	$367	$367
Cost after tax credit	**$34**	**$172**	**$215**

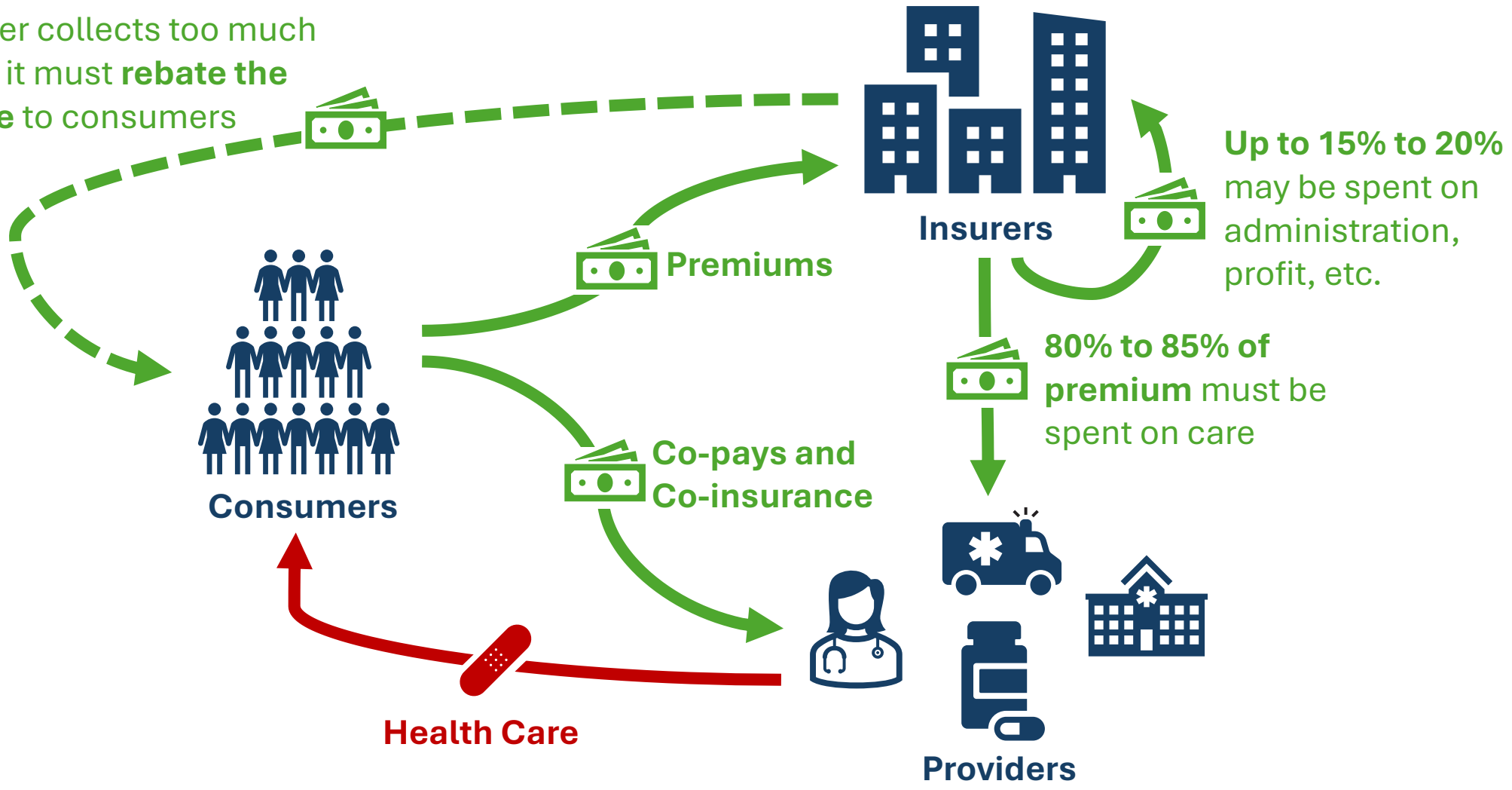
The figures on this plan are approximations based on metro area rates for 2026, using the "affordability" adjustment assuming that ARPA / IRA subsidy enhancements are not extended.

Insurance 101: Deductibles/MOOP/HDHPs



ACA 101: Medical loss ratio

If an insurer collects too much premium, it must **rebate the difference** to consumers



Up to 15% to 20% may be spent on administration, profit, etc.

80% to 85% of premium must be spent on care

DFR: Health insurance rate review

DFR approves rates that are “reasonable and not excessive, inadequate, or unfairly discriminatory”

Consumer interest in having affordable, comprehensive health care coverage

DFR’s role in ensuring that insurance companies remain financially stable

DFR: Health insurance rate review

Fall Year 1

- Insurers begin reviewing claims experience from previous plan years.
- Insurers consider if new plans should be changed to meet consumer needs.

January – April Year 2

- Insurers review enrollment statistics, claims experience, and market factors and finish developing their rate request.

May Year 2

- Rates are filed with the division.
- A public comment period is opened.
- Division actuaries begin reviewing filed rates.

June Year 2

- The division reviews rate filings.
- Division actuaries meet weekly to determine if insurer follow-up is needed to understand the rate requests.

July Year 2

- Rate hearings are held. Visit oregonhealthrates.org
- The public comment period concludes, and public comments are considered as part of the rate decision.
- Preliminary rate decisions are made by the division and are uploaded to oregonhealthrates.org.
- The preliminary orders are released.

August Year 2

- The division finalizes rate orders and other administrative requirements.
- Plans and rates are transmitted to the U.S. Centers for Medicare & Medicaid Services by the Oregon Health Insurance Marketplace after approval for display during open enrollment on healthcare.gov.

November Year 2

- Open enrollment begins for Year 3 plan year individual and small group health benefit plans.

January Year 3

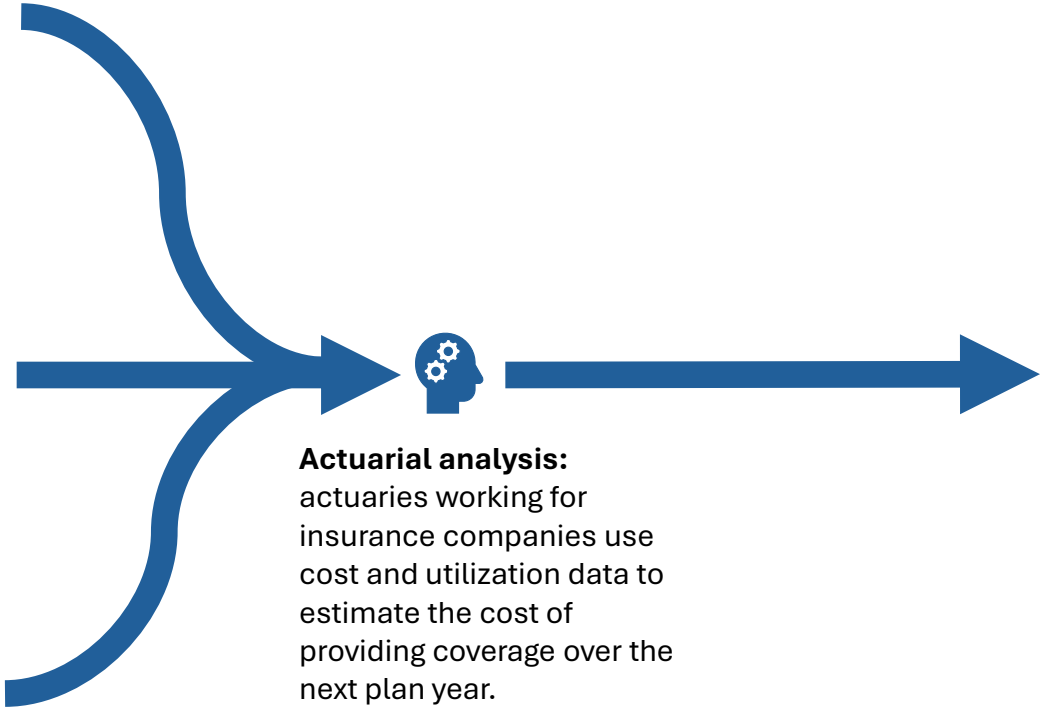
- New plans and rates are effective.

Insurance 101: What's in a rate?

Cost trend: the cost of providing health care based on the price insurers can negotiate with health care providers, or the required rate of reimbursement in statute or rule where applicable.

Utilization trend: the extent to which members of a health plan use covered services. This could be driven by life events like pregnancy, accidents, global events like an epidemic, or by addition of new covered services.

Administrative cost: the cost of administering the health plan. Under the ACA's "medical loss ratio," this must be **20% or less** of collected premium.



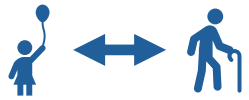
Actuarial analysis: actuaries working for insurance companies use cost and utilization data to estimate the cost of providing coverage over the next plan year.

Base rate: actuaries produce a "base rate," This is the rate that DCBS reviews for small group and individual plans.

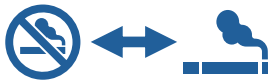
Insurance 101: What's in a rate?

The **Base rate** is adjusted for each individual consumer based on the permissible rating factors on this slide.

The ACA prohibits the consideration of any other individual characteristics, such as gender, race, or preexisting medical conditions as rating factors.



Age: as people age, they tend to require more care, and more expensive care.



Tobacco use: the ACA expressly allows consideration of a person's tobacco use in rating.

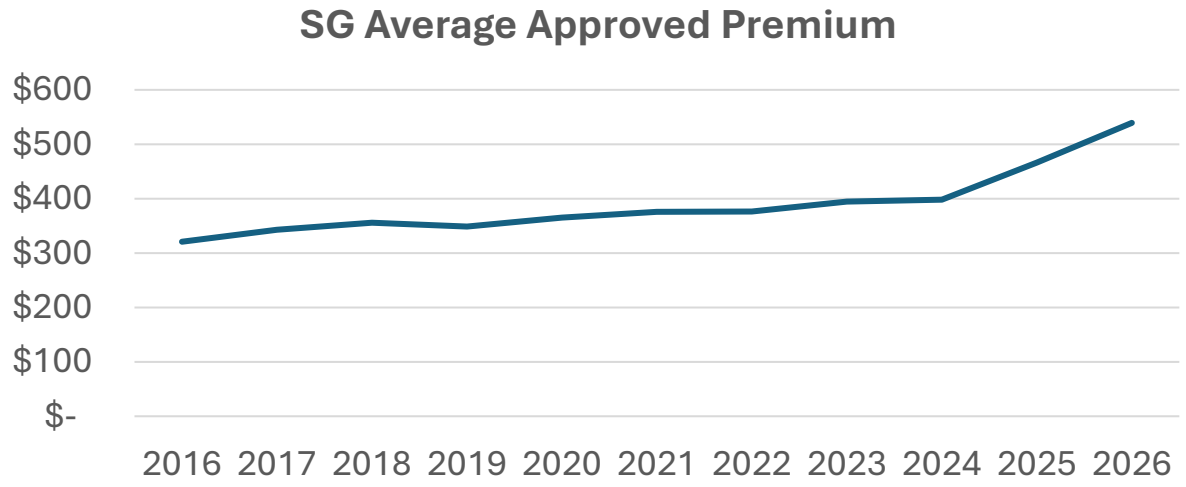
Family size: covering a spouse or dependents under a plan will increase premium and may also change cost-sharing limits.

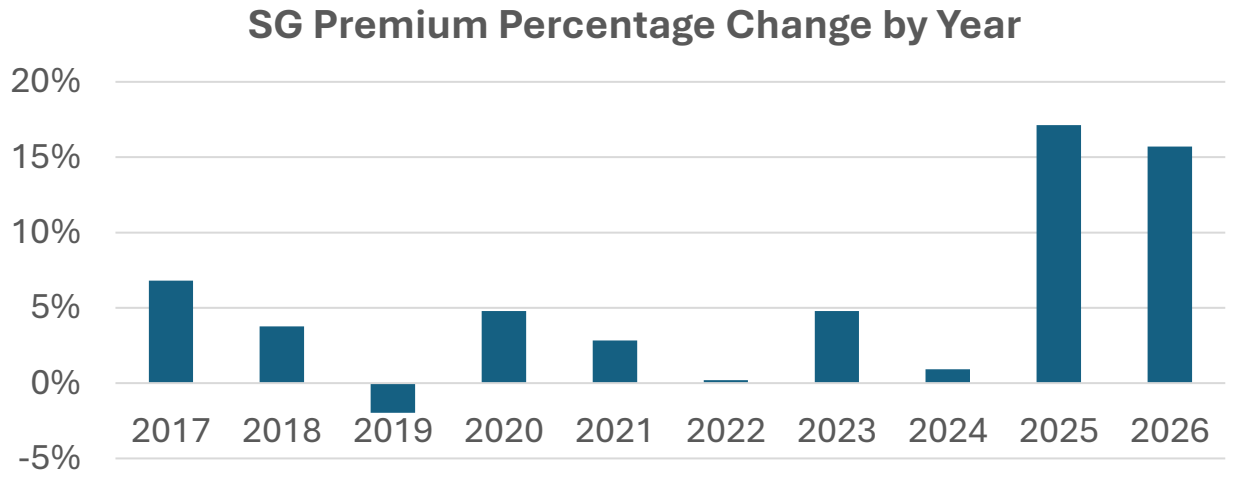
Geography: the cost of care may vary across different areas of the state, depending on the availability of providers and the insurer's ability to negotiate.

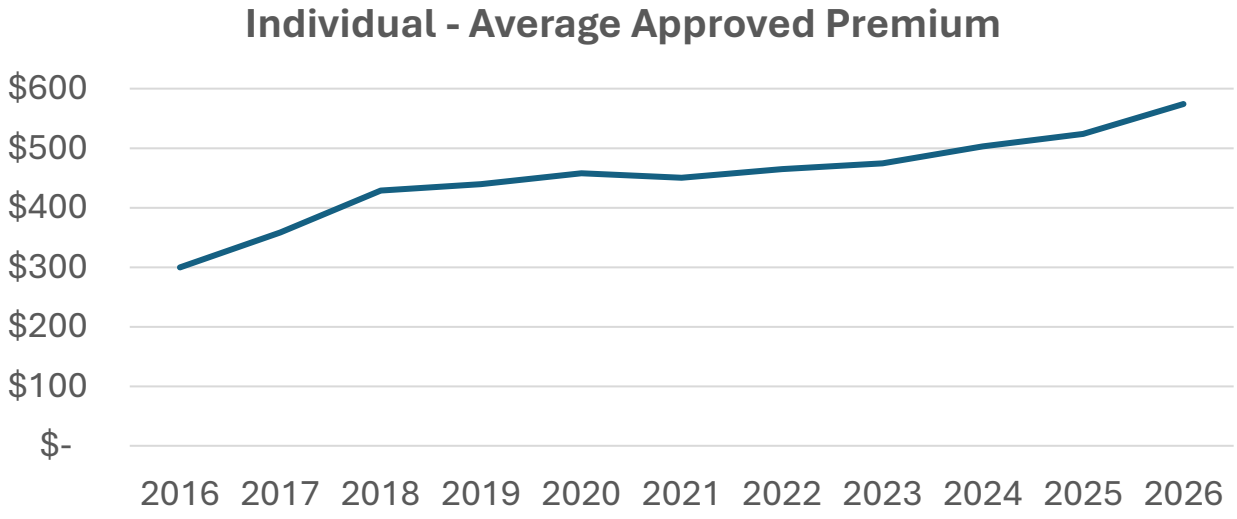
Actuarial value: monthly premium is adjusted relative to how generous the coverage is.

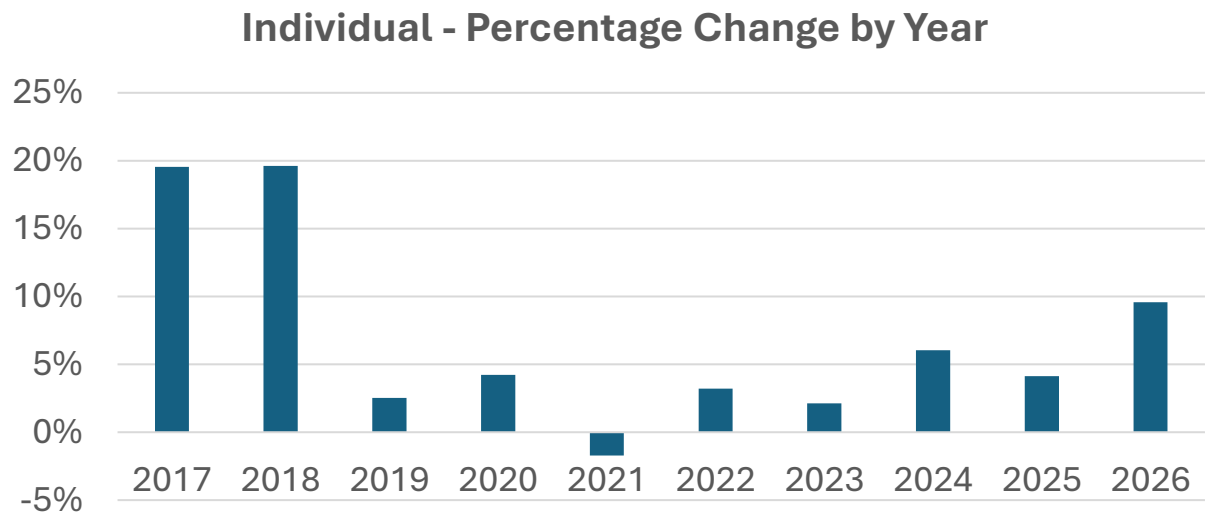
These adjustments determine the **monthly premium** owed by each consumer (not considering PTC, which may lower the consumer's actual out-of-pocket premium).

DFR: Health insurance rate review



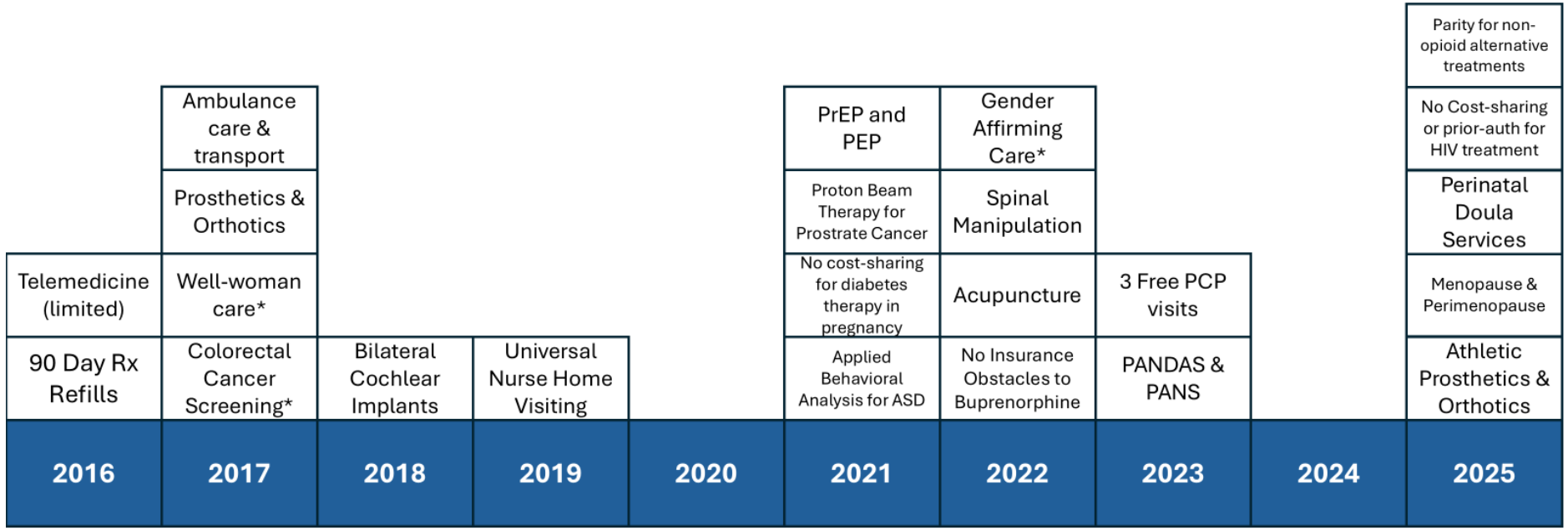






Insurance 101: Legislative Mandates

New OR Legislative Requirements for Health Benefits 2016-2025



*Notes specific services that were previously covered under other authority for some or all populations. Certain services, such as well women care, are covered for certain age ranges as preventive under the ACA. Others, like gender affirming care, have been required to be covered under state mental health parity law.

This slide identifies some of the most notable or potentially impactful health insurance mandates passed over the last 10 years.

DFR actuaries estimate that legislative action has contributed to no more than 3% of premium growth in this period. In the individual market, the average base premium has increased a cumulative 92% ($274) over 10 years. Of that we estimate that the maximum potential impact of mandates is between $9 and $17.

DFR: Oregon Reinsurance Program

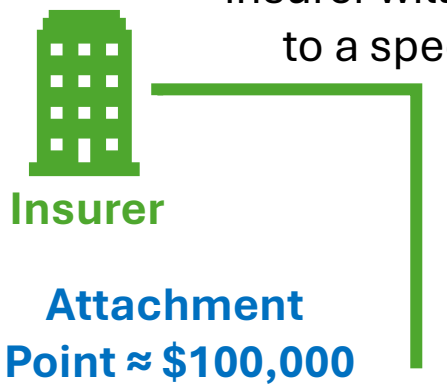
DFR administers the Oregon Reinsurance Program (ORP), which:

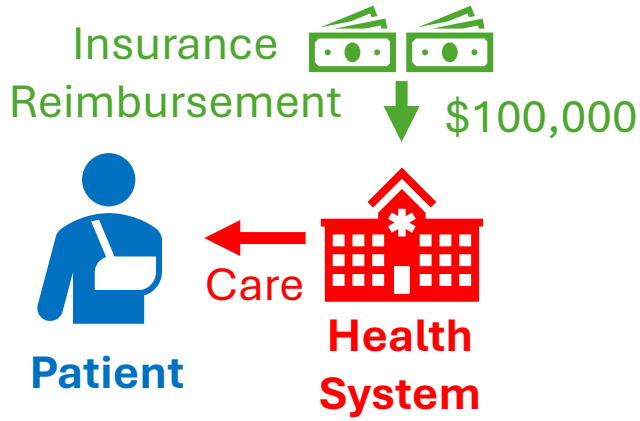
- Pays a portion of high-cost claims for individual health insurance claims
- Lowers individual market health premiums by 6%
- Increases consumer choice by protecting smaller health insurance carriers from the risk of very high-cost patients
- **HB 2010** extends Oregon's health assessments, including the 2% premium assessment that funds ORP

DFR: The Oregon Reinsurance Program

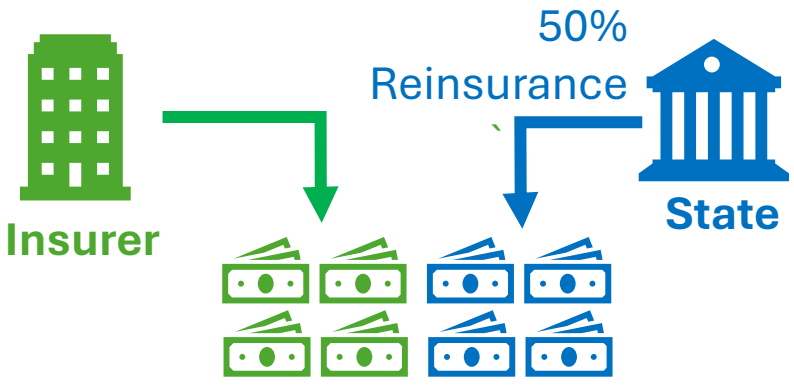
=$50,000

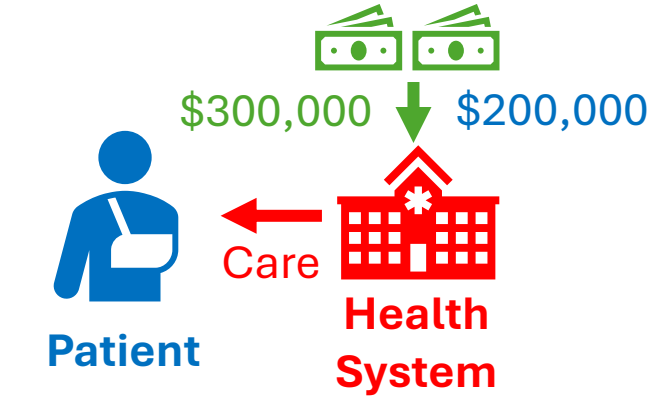
When a patient's care is covered by a reinsurance eligible health plan, the insurer will cover the cost up to a specified amount(the "**attachment point**") at which point reinsurance kicks in.

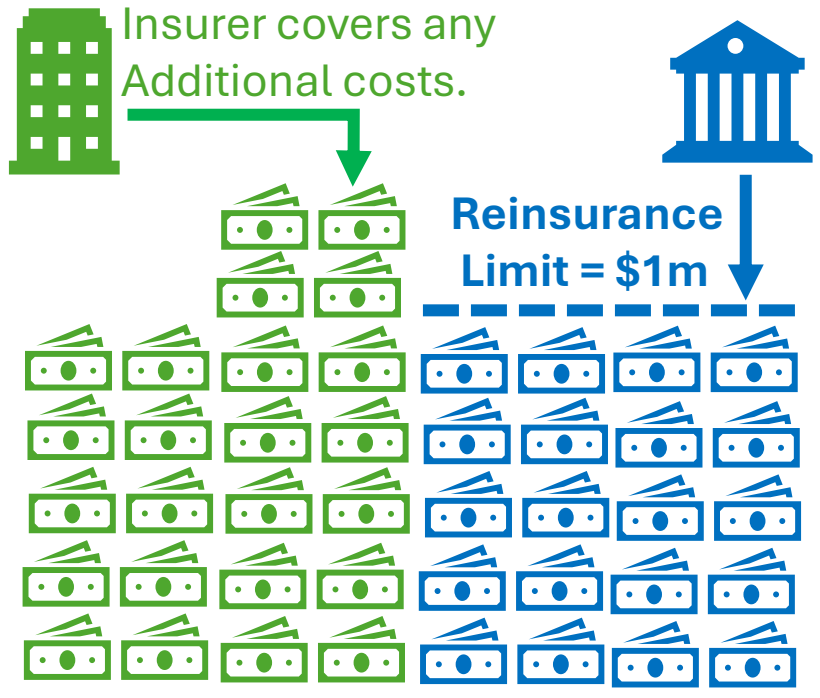


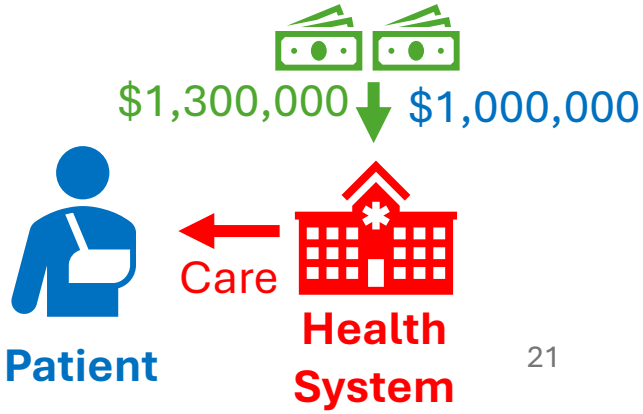


Above the attachment point, ORP covers 50% of the cost of care (the "**reinsurance rate**") up to a specified amount (the "**reinsurance limit**").









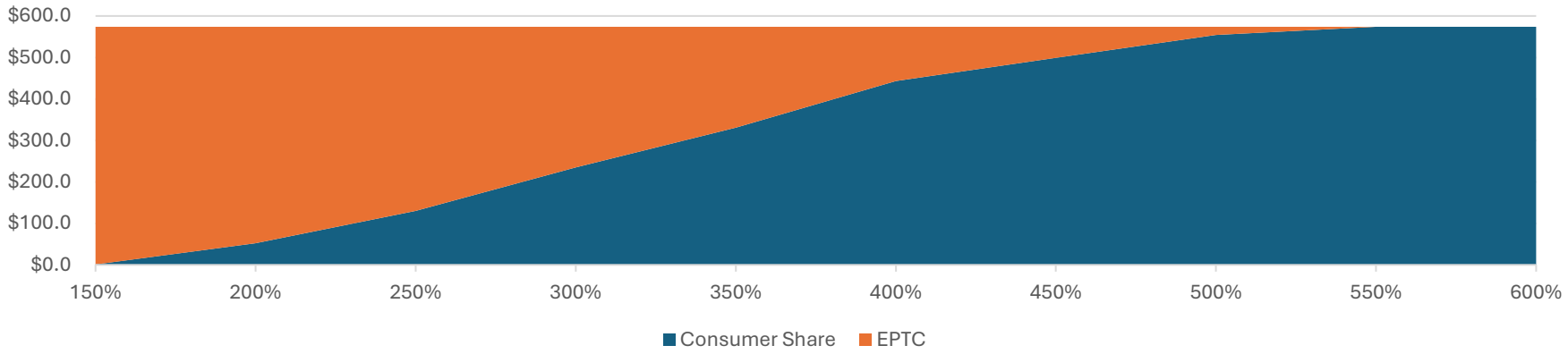
Changes to PTC calculation in 2026

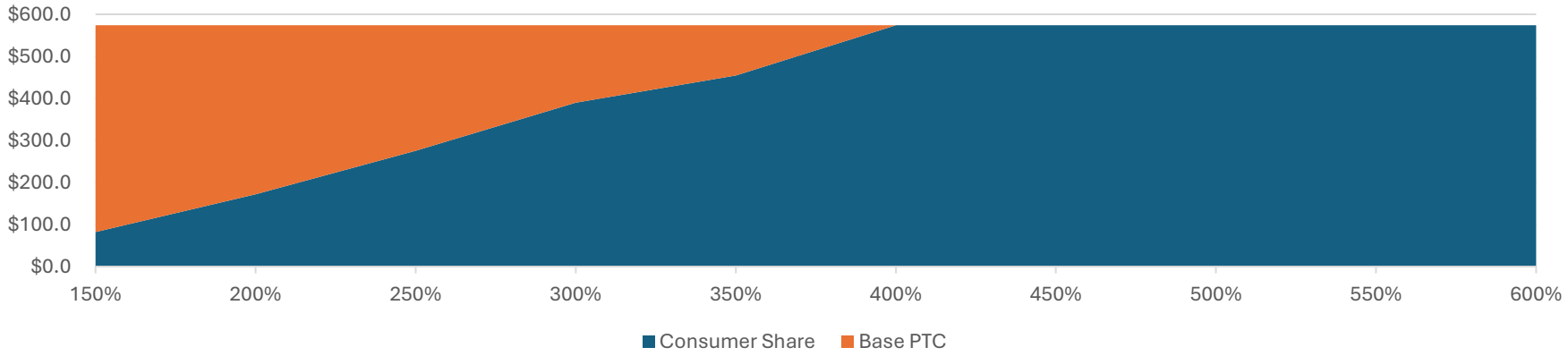
Percentage of FPL	AGI - Individual, 2026	AGI - family of 4, 2026	ARPA / IRA - "Affordable" Premium	ACA - "Affordable" Premium
150%	$23,475	$48,225	0.0%	4.19%
200%	$31,300	$64,300	2.0%	6.60%
250%	$39,125	$80,375	4.0%	8.44%
300%	$46,950	$96,450	6.0%	9.96%
350%	$54,775	$112,525	7.3%	9.96%
400%	$62,600	$128,600	8.5%	9.96%
400%+			8.5%	Unlimited

2026 “Affordable” consumer share of Silver premium: 40-year-old non-smoker, Metro	
ARPA / IRA - "Affordable" Premium	ACA - "Affordable" Premium
$1	$82
$52	$172
$130	$275
$235	$390
$331	$455
$443	$520

Changes to PTC calculation in 2026

40-Year-Old Silver Premium/PTC with and without ARPA enhancements



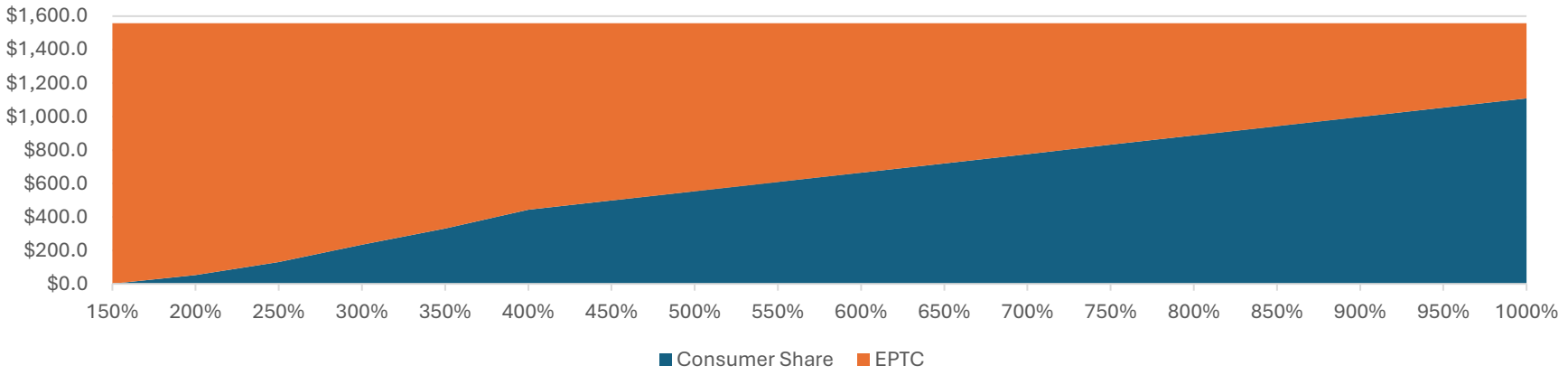


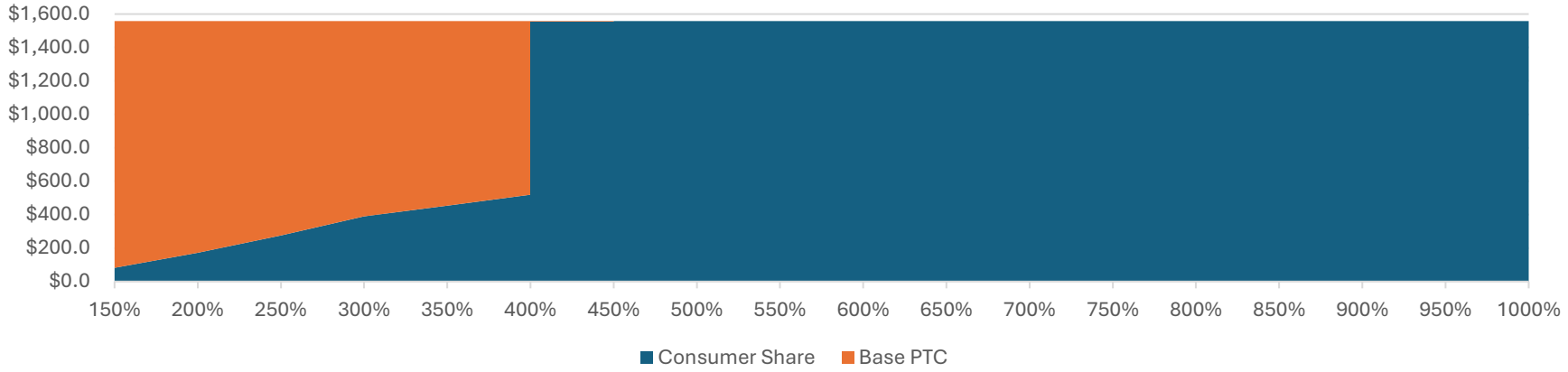
These charts compare the impact of the expiration of ARPA subsidy enhancements for a hypothetical 40-year-old individual consumer purchasing insurance on the marketplace in the Portland metro region.

With EPTC, net premium can be as low as $1 for the lowest income Marketplace enrollees, with subsidies extending up to around 550% of FPL ($86,00 AGI for 2026). Without enhancements, premium share starts at $82/month, with subsidy eligibility only extending to 400% of FPL ($62,000 for 2026).

Changes to PTC calculation in 2026

60-Year-Old Silver Premium/PTC with and without ARPA enhancements



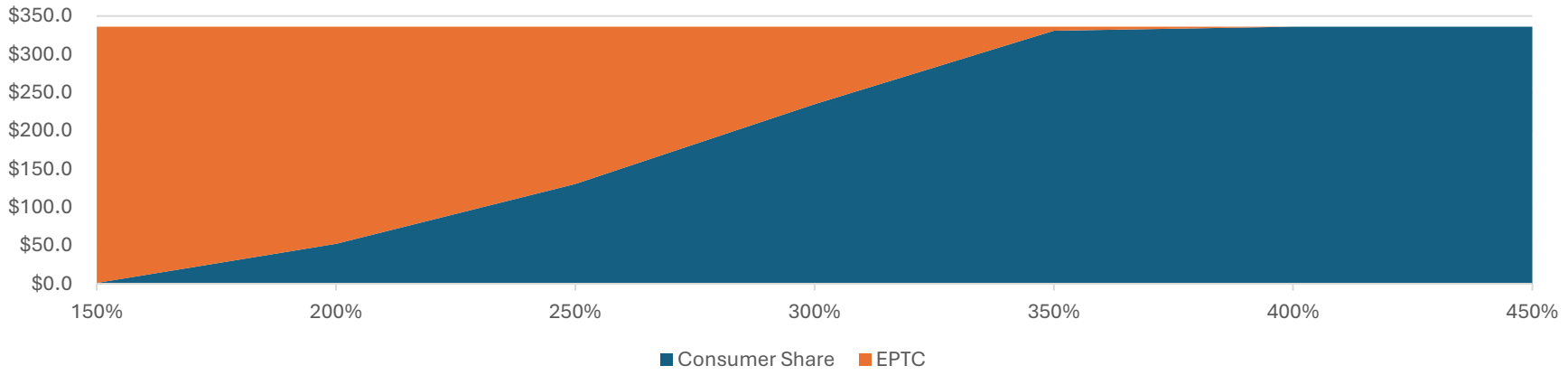


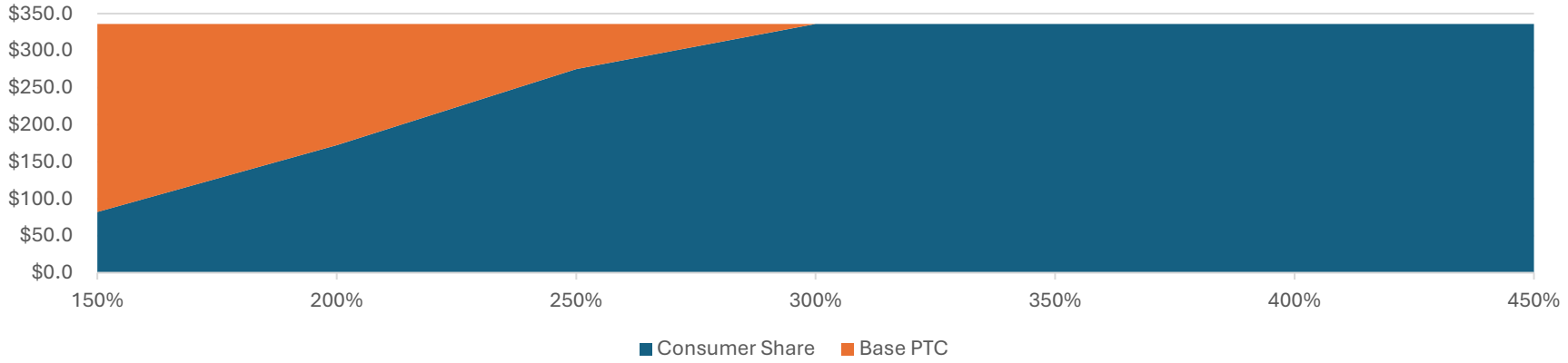
Some populations are more impacted by the expiration of ARPA enhancements. Older Oregonians in particular, whose base premiums are higher, are much more likely to face a subsidy "cliff" at 400% of FPL.

While the net premium curve by income remains the same up to 400% of FPL, without enhancement, all subsidies expire at this income level. This represents a jump from $519 / month to the full $1,558 / month premium at 401% of FPL.

Changes to PTC Calculation in 2026

26-Year-Old Bronze Premium/PTC with and without ARPA enhancements

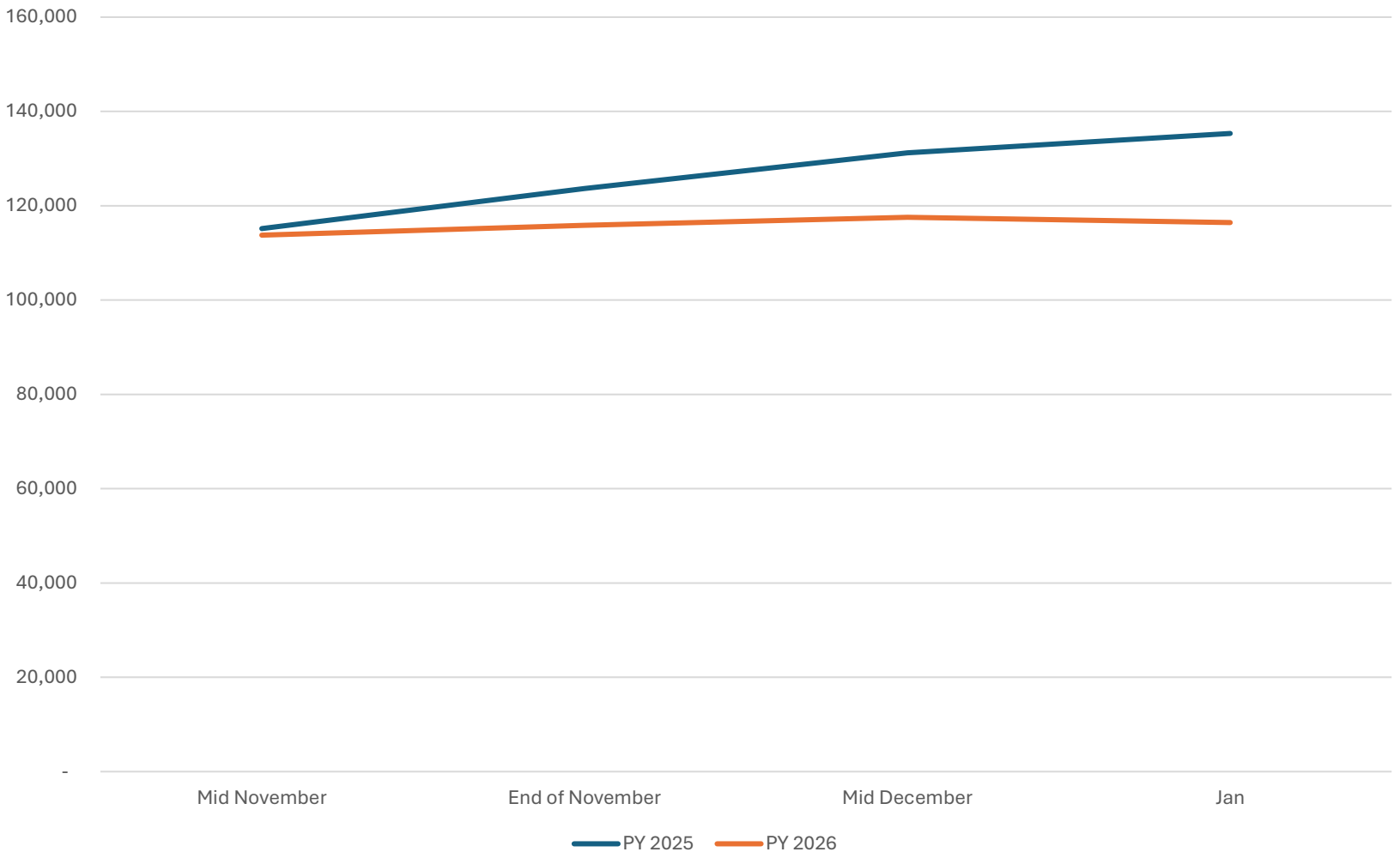




Another notable population is younger enrollees, who have often been eligible for Bronze coverage with a monthly premium close to $0. This hypothetical shows a jump from a $1 effective premium with EPTC to an $82 net monthly premium at 150% of FPL ($23,475 AGI for 2026).

The potential loss of younger enrollees from the insurance pool due to premium increases has an outsize effect on base premiums because they generally require less care.

Open enrollment for plan year 2026



DCBS collects limited information about plan selections in the individual market during the annual open enrollment period. This chart compares data collected in for 2026 vs. 2025. We have seen a significant decrease in plan selections relative to 2025, but this data is preliminary and subject to change. Since this includes auto re-enrollments, it is likely that additional consumers will drop coverage after receiving their first bill of the year.

Questions?

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