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## State places Oregon health insurer under supervision

(Salem) – The Oregon Department of Consumer and Business Services, Division of Financial Regulation announced today that it has issued an order of supervision to Moda Health Plan, Inc., because of concerns over its financial condition. At the same time, the department will begin working with Moda to transfer its individual market plans to another carrier.

An order of supervision allows the department to have a representative on site and in control of all financial decisions to ensure that consumers are protected. The order prohibits Moda from issuing new policies or renewing current policies in the individual market, and from adding new groups. The order also requires the company to obtain sufficient capital and present a business plan to DCBS that clearly demonstrates that it can operate in sound financial condition going forward. The supervision order is available at [http://www.cbs.state.or.us/external/ins/admin\\_actions/actions\\_2016/insurer\\_2016/financial\\_2016/other\\_2016/16-13-001.pdf](http://www.cbs.state.or.us/external/ins/admin_actions/actions_2016/insurer_2016/financial_2016/other_2016/16-13-001.pdf).

The department took this action because of Moda's excessive operating losses and inadequate capital and surplus. Capital and surplus is the amount a company's assets exceed its liabilities. The required minimum increases as the company assumes more insurance risk.

"Our primary goal is to ensure consumers are protected," said Patrick Allen, director of the Department of Consumer and Business Services. "We will continue to work closely with the company to find a sustainable path going forward while minimizing risk to consumers."

The order became effective late yesterday; however, Moda's insurance policies may still appear on HealthCare.gov through the end of open enrollment, Sunday, Jan. 31. DCBS advises consumers still shopping for plans to choose a carrier other than Moda. In the event that Oregonians already enrolled with Moda need to switch plans, there will be a special enrollment period. In the meantime, Moda policyholders can continue to access medical services and get their claims paid.

DCBS, which also runs the Oregon Health Insurance Marketplace, will keep Moda customers apprised of new developments and actions they may need to take.

As of Sept. 30, 2015, Moda enrolled a total of about 244,000 Oregonians in the commercial market, including 95,000 in the individual market, 16,000 in the small group market, and 129,000 in the large group market. Moda also has members in the associations and trusts market.

Eastern Oregon CCO, which serves Oregon Medicaid members and is owned by Moda, serves 48,000 Medicaid members. No one on Medicaid is losing coverage.

The Oregon Health Authority is also working with the Public Employees' Benefit Board and Oregon Educators Benefit Board partners to minimize any potential impacts to their members. There are 1,100 PEBB members and 42,000 OEGB members enrolled in Moda health plans.

Consumers with questions should call the DCBS Division of Financial Regulation's consumer advocates at 1-888-877-4894 (toll-free). Staff will be available to answer calls until 8 p.m. More information can be found on the division's website at <http://www.oregon.gov/DCBS/Insurance/insurers/regulation/Pages/moda-faqs.aspx>.

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The Division of Financial Regulation is part of the Department of Consumer and Business Services, Oregon's largest business regulatory and consumer protection agency. Visit [www.dcbs.oregon.gov](http://www.dcbs.oregon.gov) and [www.insurance.oregon.gov](http://www.insurance.oregon.gov).