

Oregon Health Insurance Marketplace
Annual Assessment Rule Advisory Meeting Summary
Thursday, February 9, 2017
Labor and Industries Building, Director's Office Conference Room
350 Winter St. NE – Salem, OR 97301

Committee members present: Shonna Butler, Cindi Condon (by phone), Joe Finkbonner (by phone), Jim Houser (by phone), Sean McAnulty (by phone), Jesse O'Brien, Ken Provencher (by phone), Claire Tranchese, Maria Vargas (by phone)

Members excused: Mark Fairbanks (ex-officio), Dan Field, Shanon Saldivar, Joe Enlet

DCBS Staff Present: Patrick Allen, DCBS Director; Berri Leslie, Marketplace Administrator; Gary Helmer, DCBS Economist; Elizabeth Cronen, Marketplace Legislative and Communications Manager (by phone); Carolina Marquette, DCBS Financial Services Manager (by phone); Victor Garcia, Marketplace Committee Liaison and Operations Support

Amending OAR 945-030-0030

Background:

The Health Insurance Marketplace (the Marketplace) sets the assessment rate annually for qualified health plans (QHP's) and stand alone dental plans sold through the Marketplace. This is done by amending OAR 945-030-0030, which contains the rate amounts. This assessment funds all Marketplace operations, from personnel to outreach efforts.

When the enrollment and financial data from the previous year becomes available, the Marketplace analyzes the information, along with information from other previous years and other market and enrollment factors, to forecast the assessment needed for the coming year. This information is then presented to an advisory committee with a recommendation for consideration.

The Marketplace engaged the members of the Marketplace Advisory Committee, a standing, legislature-appointed committee of external Marketplace stakeholders, as the rule advisory committee.

Discussion:

The trend in the previous two years has been toward a decline in the assessment, with less revenue required for operations year over year for a number of reasons. The primary reason now is the end of the lawsuit with Oracle, and the absence of the consequent legal fees going forward. The current marketplace assessment is \$6.00 per member per month.

Given projections in a normal year, the recommended assessment would be \$4.50 for QHPs, and \$0.40 for stand-alone dental plans*.

However, since the 2016 presidential election, there have been definite indications of federal Affordable Care Act (ACA) change or repeal efforts that could at least change the health insurance and Marketplace landscape. The Marketplace also offered an alternative enrollment projection, given the uncertainty of the market amid federal activity, which would keep the assessment at the current \$6.00 and \$0.57.

The committee discussed the merits of each position, and some possible outcomes of a lower-than expected open enrollment, and enrollees dropping out of the market during the plan year. Marketplace staff acknowledged that personnel make up the majority of the administrative costs of the program. However, it would be difficult to anticipate just what changes might come that would reduce enrollment, and therefore revenue. Any cost savings from cutting personnel might prove counterproductive if more work is needed to help Oregonians obtain and retain coverage.

This theme of uncertainty permeated the discussion, and the advisory committee ultimately recommended that the Marketplace keep its assessment at the current \$6.00 for QHPs and \$0.57 for stand-alone dental plans in preparation for possible changes to the ACA that may adversely affect Oregonians seeking individual health insurance.. The consensus was that the additional revenue would give the Marketplace more options to take action to guide Oregonians to their best possible options should these changes cause large disruptions or instability to plans on the Marketplace.

Fiscal Impact Statement:

The committee agreed that there should be little or no impact individually to Oregonians participating in the individual health insurance market, but that the overall revenue impact should be stated. Given the Marketplace's projections, keeping the assessment at \$6.00, if there were no drop in projected enrollment, could result in a high-side estimated \$10.2 million in revenue.

* These projections are in the [2018 Marketplace Assessment Analysis Memo](#), currently available on the Marketplace rules page:

<http://bit.ly/OHIM-assessment>

For more information on this rule, please visit the page linked above, or contact Victor Garcia at victor.a.garcia@oregon.gov.