

Annual Report of the Health Insurance Exchange Advisory Committee

May 31, 2019



Department of Consumer and Business Services

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Dear Oregon Legislative Assembly,

This annual report is required by ORS (2015) 741.004, the statute that created the Health Insurance Exchange Advisory Committee, known as the Marketplace Advisory Committee or MAC. But more than a routine filing, the report also is the committee's opportunity to highlight important health care issues.

The committee advises the director of the Department of Consumer and Business Services in the development, governance, and operation of the Marketplace. As you will read in the report, the committee has found that many important issues of health care affordability lie outside the reach of the Marketplace's authority or the committee's scope. However, on other aspects of health coverage, the group has been able to contribute concrete and actionable advice to the Marketplace.

According to statute, much of the MAC annual report's required content is information also required of the Marketplace division's own annual report. [Please see that report](https://go.usa.gov/xmnW2) (<https://go.usa.gov/xmnW2>) for details on, per statute, adequacy of assessments for reserve programs and administrative costs, implementation of the Small Business Health Options Program, number and demographics of individuals enrolled in qualified health plans, and advance premium tax credits provided to enrollees in qualified health plans.

The other required components – the number of qualified health plans offered through the exchange and feedback from the community about satisfaction with the operation of the exchange and qualified health plans offered through the exchange – are included in this document.

Thank you for your interest in our committee and its insights.

Sincerely,

Dan Field , committee chair Kaiser Permanente Northwest Portland Committee member since 2016	Shanon Saldivar , committee vice chair Revell Coy Insurance The Dalles Committee member since 2016
Kraig Anderson Moda Health Portland Member since 2017	Shonna Butler Tomlin Benefit Planning, Inc. Eugene Member since 2016
Cindy Condon consumer Salem Member since 2016	Joe Enlet Consulate of the Federated States of Micronesia Portland Member since 2016
Jim Houser Hawthorne Auto Clinic Portland Member since 2016	Sean McNulty consumer advocate Portland Member since 2016
Jennifer Welander St. Charles Health System Bend Member since 2017	Cameron Smith , director DCBS <i>Ex-Officio member</i> Member since 2017
	Stephanie Castano Oregon Primary Care Association Portland Member since 2018
	Mark Griffith OSPIRG Portland Member since 2018
	Ken Provencher PacificSource Health Plans Springfield Member since 2016
	Jeremy Vandehey OHA <i>Ex-Officio member</i> Member since 2017

Note: A new Marketplace Advisory Committee member, Sandy Sampson, joined the panel in 2019.

Number of qualified health plans offered through the exchange

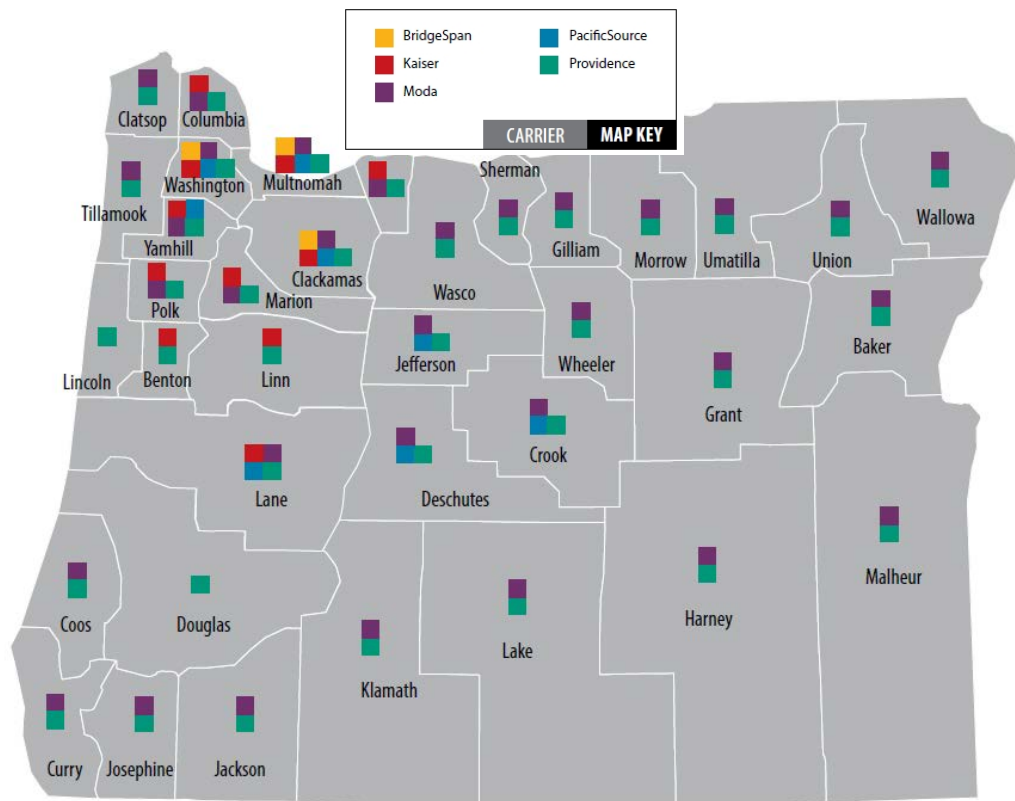
Insurance companies filed 2019 rates and service areas in spring of 2018. For the 2019 plan year, five insurance companies sell qualified health plans in Oregon on HealthCare.gov.

However, availability is uneven across the state. Of Oregon’s 36 counties, two (Lincoln and Douglas) have only one insurance company (Providence Health Plans) offering coverage through HealthCare.gov. In those counties, two bronze-tier plans, one silver-tier plan, and one gold-tier plan are available.

In 22 other Oregon counties (see map below), two insurance companies sell plans on HealthCare.gov. In those counties, a minimum of seven plans are available.

The greatest choice is available in the tri-county Portland metropolitan area. In Multnomah, Washington, and Clackamas counties, five insurance companies offer a total of 38 plans.

In the Oregon counties where they issue plans, Kaiser and PacificSource each also offer a catastrophic-coverage plan to those eligible to purchase it, usually people age 30 or younger.



Feedback from the community about satisfaction with the operation of the exchange and qualified health plans offered through the exchange

The Marketplace Advisory Committee represents a wide range of health-insurance stakeholders, including insurance companies, insurance agents, enrollment assisters, health care providers, small businesses, advocates, consumers, and government agencies. Throughout 2018, committee members drew on their understanding of these communities as they considered Marketplace operations.

Over the course of the year, the committee focused on the accessibility of coverage in the individual market, and homed in on the costs and consumer experience associated with HealthCare.gov, the eligibility and enrollment platform used in Oregon for Marketplace coverage and financial assistance. Using the committee's input, Marketplace leadership issued a request for vendors to submit information (RFI) about technologically mature, tested, and reliable online health insurance marketplace platforms and associated consumer assistance centers. The Marketplace will use the responses to get more advice from the committee before considering next steps.

Oregonians can expect the committee to keep consumers' needs foremost as they formulate their advice on how to proceed, just as the consumer experience was central in the discussions that led up to the RFI.

In a discussion of market stability, the committee identified many important aspects of the issue, including the breadth of plan choice available, and concluded that cost was the dominant stability factor affecting consumers. Regarding enrollment processes, the committee explored whether the federal platform (HealthCare.gov and its call center) delivers an enrollment experience that is satisfactory for Oregonians and commensurate with the costs required for the state to use that system.

The committee discussed the following concerns about the service delivered to Oregonians compared to the fees paid by insurance companies to support HealthCare.gov:

- The fee is 3 percent of premium, meaning costs rise as premiums rise, even if the number of people served or number of transactions processed do not increase
- Fee costs are included, in whole or in part, in the premiums paid by consumers
- There is little information from the federal government regarding how the fees are used
- The fee is not tied to accountability mechanisms, such as performance metrics

The committee then took the mission statements found in the Marketplace's establishing legislation, ORS 741.001 (2015), and assessed whether the federal platform facilitates or impedes carrying out those missions. The Marketplace goals directed in statute include lowering or containing the cost of health insurance; increasing availability of insurance; promoting the interests of people and businesses obtaining coverage for themselves, their families, or their workers; giving Oregonians the tools they need to make insurance choices; improving health care quality; reducing health disparities; being accountable to the public; and encouraging the development of new benefit packages, care delivery systems, and payment mechanisms.

On some scores, HealthCare.gov operates well. On others, an alternate system may work better. Specifically, the committee noted that while relying on HealthCare.gov:

- It is difficult for the state to identify and mitigate coverage disparities because the Marketplace does not have access to individual-member level data
- There is no small-business health coverage portal
- The state cannot adjust or improve how plan details are displayed for consumers
- The federal call center sometimes gives incomplete or inaccurate information about Oregon plans and programs
- Enrolling in the Oregon Health Plan, or switching from OHP coverage to Marketplace coverage, can be complicated

At the same time, the committee recognized:

- HealthCare.gov is a stable platform
- The current system has good, though imperfect, informational tools for consumers
- Oregonians are accustomed to HealthCare.gov and any change may require education and training
- Technology projects are a sensitive subject for Oregonians, especially related to health care

It was this and other discussions that led the Marketplace to issue the RFI in the spring of 2019. The dialogue is far from over: The RFI responses will generate a new round of conversation. That's because the request was not a solicitation, it is a tool for continuing the value analysis. With the committee's input, the Marketplace will be better positioned to assess the cost-effectiveness of the current system and consider the feasibility of an alternate platform.

The committee addressed the technology question within the wider contexts of affordability of coverage and access to care. The matter of enrollment technology was not seen as more important to the committee than other aspects of affordability, but as an aspect within the committee's and the agency's control.

The committee has noted it is difficult to provide meaningful advice on several of the purposes of the Marketplace, as named in the Marketplace's establishing legislation, including:

- Improving the health of Oregonians
- Improving health care quality and public health
- Mitigating health disparities linked to race, ethnicity, primary language, and similar factors
- Controlling costs ensure access to affordable, equitable, and high-quality health care throughout Oregon

Nascent committee discussions around these topics would often end with the impression that the agency and the committee both lack the authority to directly affect these matters.

Specifically, the committee would like the Marketplace to be able to measure and influence the quality of health care services delivered in Oregon and the health of Oregonians; to take action that will bring down the costs of coverage for people who do not qualify for subsidies through

the Marketplace; and to improve health care price transparency, both regarding cash prices and negotiated rates between insurers and providers.

The committee may at some point conclude that either the Marketplace needs additional authorities and responsibilities if it is to achieve more of its goals, or that the goals need to be redefined to suit the division's actual authorities. The committee and the Marketplace agree on the importance of these issues for consumers, and will continue to jointly seek ways to use the Marketplace's current authority to do the most possible good for Oregonians.