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I. Introduction

Introduction from the Director of the Department of Consumer and Business Services

The Department of Consumer and Business Services (DCBS) developed this report to update the Joint Interim Committee on Ways and Means, Interim Senate Committee on Health Care, and Interim House Committee on Health Care about Oregon’s health insurance marketplace (Marketplace).

In accordance with Section 21 of Senate Bill 1 (Chapter 003, 2015 Laws), DCBS provides these reports every time the interim committees meet. The reports for September 2015, November 2015, January 2016, May 2016, September 2016, as well as the April 15, 2016, annual report for the Marketplace, can be found at http://healthcare.oregon.gov/Pages/reports-audits.aspx.

Since the DCBS report in September 2016, DCBS has intensified its efforts to build on the success of the Marketplace by focusing on short- and long-term goals, even as the larger environment has experienced challenges in terms of prices and participants.

In the short-term, DCBS remains focused on rolling out a comprehensive outreach campaign to make the upcoming open enrollment period, Nov. 1, 2016 – Jan. 31, 2017, successful. The goals have not changed: maintain market share, get people to re-enroll, and continue to build trust.

To achieve those goals, the campaign will deliver targeted messages to relevant audiences through an array of tactics, including digital, radio, and newspaper ads, as well as social media, promotional partnerships, and special events. The outreach campaign also encompasses several special considerations, including reaching Latinos and millennials, providing support for rural audiences with limited options, and targeting counties with large numbers of eligible uninsured residents.

The campaign will unfold as Oregon’s commercial health insurance market experiences challenges. Final rates for the 2017 plan year range from an average rate increase of 9.8 percent to an average rate increase of 32 percent, depending on the insurer. Meanwhile, the number of statewide carriers participating in the Marketplace next year will decrease from six to two. With that change, Oregonians in all counties will have access to at least two carriers on the Marketplace, as well as two options offered exclusively off the Marketplace.

It is a situation that calls for long-term solutions. To that end, DCBS is working with stakeholders, legislators, and the Governor’s Office to develop such solutions to ensure Oregonians continue to have health plan choices. Our goal is to produce a well-supported 2017 legislative concept that works to create increased market stability.

Thank you for your continued support and feedback about the Marketplace. We look forward to ensuring that the Marketplace is a trusted and valuable resource for Oregonians in need of health care coverage.

Sincerely,
II. Financial Condition

Oregon Revised Statute 741.222(1)(a): “The financial condition of the health insurance exchange, including actual and projected revenues and expenses of the administrative operations of the exchange and commissions paid to insurance producers out of fees collected under ORS 741.105 (5).”

This section contains a description of the Marketplace’s financial status. It describes major financial activity since the last report submitted to the House Interim Committee on Health Care in September 2016. The financial condition of the Marketplace continues to be stable and self-sustaining for the 2015-2017 biennium. Since the prior report, there have been no major changes to the Marketplace’s technology or functions. There have been two major changes that affect the Marketplace’s finances. However, neither of these changes represents a risk to Marketplace sustainability.

First, DCBS was a party to legal proceedings with Oracle. Subsequent to the date of the last Marketplace report, all claims and lawsuits between Oregon and Oracle were closed. Therefore, based upon current knowledge of existing claims and lawsuits, no liability will be recorded for the Marketplace.

Second, in working with the Department of Administrative Services to complete year-end financial activities for the Marketplace, it was determined that approximately $4 million of the Oregon Health Authority reimbursement for a number of shared IT projects met the definition of a “reduction of expense.” When revenues qualify as a reduction of expense, it results in a reduction of the Marketplace’s expenditures instead of an increase in revenues. Since the OHA reimbursement is the result of a pass-through action, and not part of the normal course of the Marketplace’s operations, DCBS changed the classification of this revenue to a reduction of expense.

Budget Authority
The Marketplace’s 2015-2017 Legislatively Adopted Budget as of the May 2016 Emergency Board is shown in the table below.

<table>
<thead>
<tr>
<th>Section</th>
<th>LAB Positions</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketplace</td>
<td>26,599,779</td>
<td>17</td>
</tr>
<tr>
<td>COFA</td>
<td>3,646,000</td>
<td>-</td>
</tr>
<tr>
<td>Shared Services</td>
<td>2,188,303</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,434,082</strong></td>
<td><strong>28</strong></td>
</tr>
</tbody>
</table>

DCBS did not submit a request for the September 2016 Emergency Board, and, therefore, DCBS does not expect a change in the Marketplace’s 2015-2017 Legislatively Approved Budget.

Revenue
Oregon’s Marketplace is primarily funded through a PMPM fee of $9.66 for medical plans and 97 cents for dental plans purchased through the Marketplace. These rates are in effect through the end of the calendar year. Beginning January 2017, DCBS proposes to set a PMPM fee for
medical plans of $6.00 and 57 cents for dental plans. The revenue forecast for the Marketplace is detailed in the table below.

### Revenue Forecast as of June 30, 2016

<table>
<thead>
<tr>
<th>Status</th>
<th>Period Ending</th>
<th>Medical Assessment</th>
<th>Dental Assessment</th>
<th>Cover OR Transfer</th>
<th>OHA Transfer</th>
<th>Investment/ Misc.</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Actual</td>
<td>09/30/15</td>
<td>2,405,508</td>
<td>63,370</td>
<td>1,055,908</td>
<td>0</td>
<td>5,715</td>
<td>3,530,501</td>
</tr>
<tr>
<td>Actual</td>
<td>12/31/15</td>
<td>3,012,249</td>
<td>17,326</td>
<td>895,032</td>
<td>4,711,007</td>
<td>6,663</td>
<td>8,642,277</td>
</tr>
<tr>
<td>Actual</td>
<td>03/31/16</td>
<td>3,425,156</td>
<td>28,173</td>
<td>0</td>
<td>2,289,786</td>
<td>12,669</td>
<td>5,755,784</td>
</tr>
<tr>
<td>Actual</td>
<td>06/30/16</td>
<td>3,638,339</td>
<td>33,524</td>
<td>0</td>
<td>1,229,978</td>
<td>17,958</td>
<td>4,919,799</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$12,481,252</td>
<td>$142,393</td>
<td>$1,950,940</td>
<td>$8,230,771</td>
<td>$43,005</td>
<td>$22,848,361</td>
<td></td>
</tr>
<tr>
<td>Actual</td>
<td>09/30/16</td>
<td>3,343,838</td>
<td>43,367</td>
<td>0</td>
<td>3,879,741</td>
<td>2,924</td>
<td>7,269,870</td>
</tr>
<tr>
<td>Actual</td>
<td>12/31/16</td>
<td>3,150,619</td>
<td>39,982</td>
<td>0</td>
<td>827,623</td>
<td>5,642</td>
<td>4,023,866</td>
</tr>
<tr>
<td>Actual</td>
<td>03/31/17</td>
<td>2,207,608</td>
<td>28,079</td>
<td>0</td>
<td>827,623</td>
<td>8,606</td>
<td>3,071,916</td>
</tr>
<tr>
<td>Actual</td>
<td>06/30/17</td>
<td>2,267,389</td>
<td>27,411</td>
<td>0</td>
<td>827,623</td>
<td>11,368</td>
<td>3,133,791</td>
</tr>
<tr>
<td>FY 2017</td>
<td>$10,969,454</td>
<td>$138,839</td>
<td>$0</td>
<td>$6,362,610</td>
<td>$28,540</td>
<td>$17,499,442</td>
<td></td>
</tr>
<tr>
<td>Estimate</td>
<td>09/30/16</td>
<td>2,180,764</td>
<td>26,248</td>
<td>0</td>
<td>288,483</td>
<td>15,597</td>
<td>2,511,092</td>
</tr>
<tr>
<td>Estimate</td>
<td>12/31/16</td>
<td>2,054,751</td>
<td>24,199</td>
<td>0</td>
<td>213,953</td>
<td>18,933</td>
<td>2,311,837</td>
</tr>
<tr>
<td>Estimate</td>
<td>03/31/17</td>
<td>2,273,836</td>
<td>28,921</td>
<td>0</td>
<td>213,953</td>
<td>21,149</td>
<td>2,537,859</td>
</tr>
<tr>
<td>Estimate</td>
<td>06/30/17</td>
<td>2,335,411</td>
<td>28,233</td>
<td>0</td>
<td>213,953</td>
<td>22,943</td>
<td>2,600,540</td>
</tr>
<tr>
<td>FY 2018</td>
<td>$8,844,762</td>
<td>$107,602</td>
<td>$0</td>
<td>$930,342</td>
<td>$78,622</td>
<td>$9,961,329</td>
<td></td>
</tr>
<tr>
<td>Estimate</td>
<td>09/30/18</td>
<td>2,246,187</td>
<td>27,036</td>
<td>0</td>
<td>213,953</td>
<td>25,716</td>
<td>2,512,892</td>
</tr>
<tr>
<td>Estimate</td>
<td>12/31/18</td>
<td>2,116,394</td>
<td>24,925</td>
<td>0</td>
<td>213,953</td>
<td>27,729</td>
<td>2,383,001</td>
</tr>
<tr>
<td>Estimate</td>
<td>03/31/19</td>
<td>2,342,052</td>
<td>29,789</td>
<td>0</td>
<td>213,953</td>
<td>28,080</td>
<td>2,613,874</td>
</tr>
<tr>
<td>Estimate</td>
<td>06/30/19</td>
<td>2,405,473</td>
<td>29,080</td>
<td>0</td>
<td>213,953</td>
<td>28,617</td>
<td>2,677,123</td>
</tr>
<tr>
<td>FY 2019</td>
<td>$9,110,105</td>
<td>$110,830</td>
<td>$0</td>
<td>$855,812</td>
<td>$110,142</td>
<td>$10,186,889</td>
<td></td>
</tr>
</tbody>
</table>

Revenue categories are discussed in further detail below.

**Marketplace PMPM assessment**: As seen in the table above, the change in PMPM is reflected with an anticipated decrease in PMPM revenue beginning the first quarter of 2017. As of 2016 enrollment data, actual revenue is $3,359,105 more than originally forecast. This is driven by higher medical and dental enrollment estimated in the Legislatively Adopted Budget by 344,089 and 36,312 (an increase of 26.2 percent and 18.3 percent, respectively). Actual enrollment through Sept. 30, 2016, is shown below:

The actual enrollment numbers in the table shown below are reported by insurance carriers to DCBS. Discrepancies between these numbers and the numbers reported by the U.S. Department of Health and Human Services are attributable to the timing associated with each reporting process. About 147,000 Oregonians signed up for coverage during open enrollment. However, every year a certain percentage of those who sign up fail to pay their first monthly premium and effectuate their coverage. Others fail to provide documentation required by HealthCare.gov and lose their coverage. The actual enrollments reported by carriers above represent net-effectuated enrollments.
Insurance carriers periodically update reported enrollments retroactively, and DCBS will adjust enrollment data accordingly in future reports. These updates are usual and customary for the industry, and are due to nonpayment by individuals purchasing plans or coverage events such as births and deaths. Any time updated enrollment data decreases the amount owed by insurance carriers in past periods, DCBS applies a credit to future assessment billings, instead of providing a refund.

The PMPM assessment revenue forecast is based on the expected quarterly enrollment activity shown in the following graph. The enrollment projection for each quarter is the sum of three months’ enrollment (e.g., 100,000 enrollees in July plus 100,000 enrollees in August plus 100,000 enrollees in September equals 300,000 enrollments for the quarter).

```
<table>
<thead>
<tr>
<th>Month</th>
<th>Forecasted Enrollments</th>
<th>Actual Enrollments</th>
<th>Total Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Medical</td>
<td>Dental</td>
<td>Medical</td>
</tr>
<tr>
<td>July 2015</td>
<td>89,924</td>
<td>13,557</td>
<td>94,565</td>
</tr>
<tr>
<td>August 2015</td>
<td>89,564</td>
<td>13,642</td>
<td>94,005</td>
</tr>
<tr>
<td>September 2015</td>
<td>89,206</td>
<td>13,488</td>
<td>92,536</td>
</tr>
<tr>
<td>October 2015</td>
<td>88,849</td>
<td>13,434</td>
<td>91,301</td>
</tr>
<tr>
<td>November 2015</td>
<td>88,494</td>
<td>13,381</td>
<td>89,147</td>
</tr>
<tr>
<td>December 2015</td>
<td>88,437</td>
<td>13,372</td>
<td>85,187</td>
</tr>
<tr>
<td>January 2016</td>
<td>48,893</td>
<td>7,355</td>
<td>112,539</td>
</tr>
<tr>
<td>February 2016</td>
<td>68,450</td>
<td>10,296</td>
<td>121,721</td>
</tr>
<tr>
<td>March 2016</td>
<td>78,228</td>
<td>11,767</td>
<td>129,352</td>
</tr>
<tr>
<td>April 2016</td>
<td>88,007</td>
<td>13,238</td>
<td>128,485</td>
</tr>
<tr>
<td>May 2016</td>
<td>100,230</td>
<td>15,077</td>
<td>126,952</td>
</tr>
<tr>
<td>June 2016</td>
<td>99,829</td>
<td>15,016</td>
<td>125,756</td>
</tr>
<tr>
<td>July 2016</td>
<td>99,430</td>
<td>14,966</td>
<td>125,043</td>
</tr>
<tr>
<td>August 2016</td>
<td>99,032</td>
<td>14,887</td>
<td>122,245</td>
</tr>
<tr>
<td>September 2016</td>
<td>98,636</td>
<td>14,837</td>
<td>119,644</td>
</tr>
</tbody>
</table>

Average: 87,681 | 13,217 | 110,620 | 15,638 |
```
As the graph above shows, medical enrollments are expected to decline from a seasonal peak, while dental enrollments are expected to remain stable. The growth in enrollment this biennium, along with a decrease in expected expenditures, contributed to DCBS’ decision to reduce the PMPM assessment for 2017.

The Department of Consumer and Business Services bills insurance carriers the month after the reporting month, and insurance carriers have approximately 30 days to submit payment. These delays create a two-month lag in receipt of revenue earned.

**Cover Oregon’s Balance Transfer:** Cover Oregon has transferred all funds to DCBS.

**OHA Transfer:** The Legislatively Adopted Budget originally projected a total transfer from OHA of $13.2 million. The DCBS current estimate is $12.6 million, approximately $600,000 less than originally anticipated, as detailed in the chart below:

As previously shown in the Revenue Forecast as of June 30, 2016, the OHA transfer of revenue will decline significantly during FY 2016 and FY 2017. The decrease in FY 2017 is due to the expiration of the Oracle contracts. The 2017-2019 projections include only the ongoing cost to maintain the information that has been preserved in the 2015-2017 biennium. The difference between the Legislatively Adopted Budget estimate and the current estimate is the net result of the following changes:

- The original estimate included an ongoing projection of the original Speridian contract, which was completed in March 2016 when the Oracle contracts expired. The work included in this contract is no longer necessary after March 2016 and was reduced by $3.7 million.
- The current estimate includes all new Speridian services to provide an archiving solution of Oracle data; this cost is currently $3.3 million. DCBS and OHA will share this work. OHA will cover 80 percent of the costs; DCBS will cover 20 percent.
- The estimate also includes a contract for Tornai Consulting. This contract was not in the original projection because the statement of work is solely for OHA. However, OHA transferred the contract to DCBS because it fell under the body of work that was
transferred from Cover Oregon. Therefore, DCBS is obligated to pay for these services and seek reimbursement from OHA, increasing the total shared contract costs by $120,000.

- DCBS has amended the Speridian contract to allow for financial data extraction and upload. This is an $83,000 amendment to prior contractual work. DCBS bears the complete cost of this work.

In addition to the revenue transfer for shared contracts, OHA has been billed approximately $2 million for its portion of contract costs Cover Oregon paid for and had not been reimbursed for as of June 30, 2015. This amount is not included in the IT cost-allocation table above as the obligation to pay was made to Cover Oregon, not DCBS.

The Department of Consumer and Business Services is currently working with OHA to transfer the contract ownership of the Speridian, Interactive Intelligence (ININ), and Amazon Cloud contracts to OHA. The Marketplace’s call center will not be using ININ’s system in the next biennium because DCBS has switched phone providers to IBM through Project MUSIC. Likewise, DCBS uses Speridian’s and Amazon’s services far less than OHA does. DCBS is planning to not request the limitation for supporting these contracts in the 2017-2019 biennium. Switching these IT contracts to OHA removes the need for OHA to reimburse DCBS for their portion of the costs.

**Interest (Investment) Income:** The Marketplace fund earns interest income, which contributes to the ending fund balance and is expected to be received as anticipated.

**Federal Funds:** No federal grant funds were transferred to DCBS when it took over management of the Marketplace on July 1, 2015. All federal grants are closed or are in the process of being closed.

**Expenditures**
The following table details actual expenditures from July 2015 through Aug. 31, 2016, expenditure projections for the remainder of the biennium, and the variance from the September 2016 Legislatively Adopted Budget.

<table>
<thead>
<tr>
<th>Section</th>
<th>15-17 LAB</th>
<th>Actual Expenditures</th>
<th>Projections</th>
<th>COFA GF OF Transfer</th>
<th>Actual and Projection</th>
<th>Variance (Over/Under) % Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketplace</td>
<td>26,699,779</td>
<td>13,395,694</td>
<td>10,120,261</td>
<td>23,515,955</td>
<td>3,083,824</td>
<td>88.4%</td>
</tr>
<tr>
<td>COFA</td>
<td>3,646,000</td>
<td>-</td>
<td>1,822,926</td>
<td>1,823,000</td>
<td>1,822,926</td>
<td>74</td>
</tr>
<tr>
<td>Shared Services</td>
<td>2,188,353</td>
<td>980,163</td>
<td>834,870</td>
<td>1,815,033</td>
<td>373,270</td>
<td>82.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,738,832</td>
<td>14,375,656</td>
<td>10,955,131</td>
<td>25,330,987</td>
<td>3,457,095</td>
<td>88.0%</td>
</tr>
</tbody>
</table>

DCBS is currently projecting expenditures approximately 12 percent below the Legislatively Adopted Budget.

**Ending Fund Balance**
The chart below summarizes the total revenue and expenses for the 2015-2017 biennium and forecast amounts for fiscal years 2018 and 2019. According to Oregon Revised Statute 741.105(3)(b), “the maximum amount of excess monies that may be held by DCBS is the anticipated total for the administrative and operational expenses of administering the health
insurance exchange anticipated by the department for a six-month period.” Also, “any moneys received that exceed the maximum shall be applied by the department to reduce the charges imposed by this section.” The Marketplace fund is currently above this limit and the table below does not show the effect of the rebate that is produced to lower the balance below the six-month limit. Oregon Administrative Rule 945-030-0020(9) controls how the assessment is calculated and distributed. The rule states that if there is more than six months of expenditures, then a credit will be applied to medical assessments by the end of March based on the prior December’s enrollment.

**Oregon Health Insurance Marketplace Fund**  
**Forecast Revenues, Expenses, and Fund Balances**  
(actual data through June 30, 2016)

<table>
<thead>
<tr>
<th>Status</th>
<th>Period Ending</th>
<th>Total Revenue</th>
<th>Total Expenses</th>
<th>Excess (Deficit)</th>
<th>Ending Fund Balance</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>09/30/15</td>
<td>3,530,501</td>
<td>2,148,728</td>
<td>1,381,773</td>
<td>1,381,773</td>
<td>1.2</td>
</tr>
<tr>
<td>Actual</td>
<td>12/31/15</td>
<td>8,642,277</td>
<td>3,861,973</td>
<td>4,780,304</td>
<td>6,162,077</td>
<td>5.3</td>
</tr>
<tr>
<td>Actual</td>
<td>03/31/16</td>
<td>5,755,784</td>
<td>3,970,731</td>
<td>1,785,053</td>
<td>7,947,130</td>
<td>6.8</td>
</tr>
<tr>
<td>Actual</td>
<td>06/30/16</td>
<td>4,919,799</td>
<td>4,421,251</td>
<td>498,548</td>
<td>8,445,678</td>
<td>7.3</td>
</tr>
<tr>
<td>FY 2016</td>
<td>22,848,361</td>
<td>14,402,683</td>
<td>8,445,678</td>
<td></td>
<td></td>
<td>7.3</td>
</tr>
<tr>
<td>Estimate</td>
<td>09/30/16</td>
<td>7,269,870</td>
<td>3,767,053</td>
<td>3,502,817</td>
<td>11,948,495</td>
<td>10.3</td>
</tr>
<tr>
<td>Estimate</td>
<td>12/31/16</td>
<td>4,023,666</td>
<td>3,396,914</td>
<td>626,951</td>
<td>12,575,446</td>
<td>10.8</td>
</tr>
<tr>
<td>Estimate</td>
<td>03/31/17</td>
<td>3,071,916</td>
<td>3,227,536</td>
<td>(155,621)</td>
<td>12,419,826</td>
<td>10.7</td>
</tr>
<tr>
<td>Estimate</td>
<td>06/30/17</td>
<td>3,133,791</td>
<td>3,149,166</td>
<td>(15,375)</td>
<td>12,404,451</td>
<td>10.7</td>
</tr>
<tr>
<td>FY 2017</td>
<td>17,499,442</td>
<td>13,540,669</td>
<td>3,958,773</td>
<td></td>
<td></td>
<td>10.7</td>
</tr>
<tr>
<td>Estimate</td>
<td>09/30/17</td>
<td>2,511,092</td>
<td>3,386,899</td>
<td>(875,806)</td>
<td>11,528,645</td>
<td>10.2</td>
</tr>
<tr>
<td>Estimate</td>
<td>12/31/17</td>
<td>2,311,837</td>
<td>3,386,899</td>
<td>(1,075,062)</td>
<td>10,453,583</td>
<td>9.3</td>
</tr>
<tr>
<td>Estimate</td>
<td>03/31/18</td>
<td>2,537,859</td>
<td>3,386,899</td>
<td>(849,039)</td>
<td>9,604,544</td>
<td>8.5</td>
</tr>
<tr>
<td>Estimate</td>
<td>06/30/18</td>
<td>2,600,540</td>
<td>3,386,899</td>
<td>(786,359)</td>
<td>8,818,186</td>
<td>7.8</td>
</tr>
<tr>
<td>FY 2018</td>
<td>9,961,329</td>
<td>13,547,594</td>
<td>(3,586,266)</td>
<td></td>
<td></td>
<td>7.8</td>
</tr>
<tr>
<td>Estimate</td>
<td>09/30/18</td>
<td>2,512,892</td>
<td>3,391,850</td>
<td>(878,958)</td>
<td>7,939,227</td>
<td>7.0</td>
</tr>
<tr>
<td>Estimate</td>
<td>12/31/18</td>
<td>2,363,001</td>
<td>3,391,850</td>
<td>(1,008,849)</td>
<td>6,930,378</td>
<td>6.1</td>
</tr>
<tr>
<td>Estimate</td>
<td>03/31/19</td>
<td>2,613,874</td>
<td>3,391,850</td>
<td>(777,976)</td>
<td>6,152,401</td>
<td>5.4</td>
</tr>
<tr>
<td>Estimate</td>
<td>06/30/19</td>
<td>2,677,123</td>
<td>3,391,850</td>
<td>(714,727)</td>
<td>5,437,674</td>
<td>4.8</td>
</tr>
<tr>
<td>FY 2019</td>
<td>10,186,889</td>
<td>13,567,400</td>
<td>(3,380,511)</td>
<td></td>
<td></td>
<td>4.8</td>
</tr>
</tbody>
</table>

These projections account only for DCBS current authority and known liabilities. If these obligations remain the same, the Marketplace will be positioned to remain self-sustaining at the current levels of enrollments and assessments through the end of fiscal year 2017.

### III. Technology Development

Oregon Revised Statute 741.222(1)(b): “The development of the information technology system for the exchange.”

In May 2016, DCBS completed an analysis that compared the functionality and cost of the federal technology platform, HealthCare.gov, with successful private vendor systems currently
used in other states. The purpose of the analysis was to determine if paying for HealthCare.gov was the best use of policyholders’ dollars. The agency discussed the results of the analysis with the Oregon Health Insurance Marketplace Advisory Committee and presented findings to the interim committees of the Oregon Legislature related to health in May.

Based on the analysis and subsequent discussions with stakeholders, the agency decided to continue to use HealthCare.gov and to revisit the idea of pursuing other technology systems for the exchange in three to five years. In the interim, the agency will continue to monitor developments in technology systems. DCBS will also monitor the costs to develop work-around solutions for initiatives not supported by the HealthCare.gov platform so those costs can be factored into future analyses of the state’s options.

DCBS is currently considering options for Oregon’s Small Business Health Options Program. See Section VI of this report for more information on those efforts.

IV. Coordination with the Oregon Health Authority

Oregon Revised Statute 741.222(1)(C): “Efforts made, in collaboration with the Oregon Health Authority, to coordinate eligibility determination and enrollment processes for qualified health plans and the state medical assistance program.”

DCBS continues to maintain a close working relationship with OHA, the agency that oversees the Oregon Health Plan (OHP), Oregon’s Medicaid program, to ensure cross-agency collaboration between Marketplace and Medicaid operations. Some areas of collaboration include:

Operations and Technology:
DCBS and OHA continue to work together on the management of the state’s eligibility and enrollment systems, including coordination with HealthCare.gov and other federal systems. The coordination has ensured that there is no wrong door for applicants. Currently, Oregonians can apply for Medicaid either directly through an OHP PDF application or through HealthCare.gov. Those found ineligible for OHP can apply for a special enrollment period to sign up for a qualified health plan through HealthCare.gov.

DCBS is also coordinating with OHA on the implementation of OHA’s new Medicaid eligibility and enrollment system, OregONEligibility (ONE), which began operating Dec. 15, 2015.

Outreach and Education:
DCBS and OHA are currently coordinating their outreach and education efforts. This includes, but is not limited to:

• Partnering to provide a network of community partner organizations with more than 800 enrollment assisters capable of helping and enrolling both qualified health plan and OHP eligible people.
• Coordinating call center operations and information.
• Using OregonHealthCare.gov as the state’s website for information about both the Marketplace and OHP so people seeking information about either have a central resource available.
• Coordinating OHP and Marketplace messaging and materials.
• Working together on stakeholder engagement.
• Developing a blueprint for a Basic Health Program as required by House Bill 4017 of 2016.
• Exploring the possibilities associated with 1332 waivers. Section 1332 of the Affordable Care Act allows states to waive specific provisions of the act in order to implement innovative state solutions to health care issues, such as establishing the Basic Health Plan.

V. Program Integration
Oregon Revised Statute 741.222(1)(d): “The progress of integrating the duties and functions transferred to the Department of Consumer and Business Services.”

Cover Oregon Transition
The transition of duties and functions from Cover Oregon to DCBS was completed and went smoothly. In accordance with Senate Bill 1, Cover Oregon closed June 30, 2015, and the Marketplace has been operating at DCBS since July 1, 2015.

Advisory Committee
Senate Bill 1 also established a health insurance marketplace committee. The committee provides guidance and feedback on issues affecting the marketplace, such as outreach, customer feedback, and insurance plan affordability. The Oregon Senate confirmed the members of the committee in February 2016, and the committee began meeting April 7, 2016.

Integration with the Senior Health Insurance Benefits Assistance Program
In December 2015, DCBS began a project to integrate the Marketplace unit and the Senior Health Insurance Benefits Assistance Program (SHIBA), which is also part of DCBS. SHIBA provides Medicare education, training, counseling, and advocacy to Oregonians with Medicare with the support of a community-based counseling workforce that includes certified volunteers. The goal of the integration was to find ways to make best use of staff resources, outreach, and education efforts, and provide better service to Oregonians seeking health insurance, whether through the Marketplace or Medicare. DCBS completed integration of the programs on June 30, 2016.

VI. Small Business Health Options Program (SHOP)
Oregon Revised Statute 741.222(1)(e): “The progress in planning for, developing and implementing a Small Business Health Options Program, including the key decision points,
On April 18, 2016, the Centers for Medicare and Medicaid Services (CMS) released guidance that allows states currently using a direct enrollment process for SHOP, like Oregon, to continue doing so for two more years, through 2018. The guidance states that by 2019, a SHOP online enrollment system must be available, and states can comply in one of three ways. The change in the deadline for SHOP has given Oregon more time to consider the three possibilities:

1) **SHOP Federal Platform (FF-SHOP).** Currently, this is not an option for Oregon. The federal platform does not support Oregon’s small group rating methodology. Oregon uses composite rating, which is the practice of grouping all eligible employees together and assigning a single rating, regardless of individual factors (such as age, gender, or tobacco use) that may make somebody a higher or lower insurance risk. Oregon would have to make a policy decision to change to list-bill rating or CMS would have to upgrade its technology before Oregon could use this option.

2) **A State-Based Platform, Regional Platform, or Third-Party Administrator of SHOP.** Oregon could acquire a technology platform. However, based on the proposals received from vendors in response to the Request for Proposals (RFP) the agency released in December 2015, there are considerable costs associated with implementing and maintaining a state-based SHOP platform. That is a major concern considering the low enrollment projections for SHOP in Oregon and SHOP’s modest enrollment in other states. Current trends and factors in the small group market would need to change significantly for a private vendor system to be cost-beneficial. However, if Oregon pursued its own platform, DCBS expects it could be implemented in about six months. In other states, SHOP has been successfully implemented in about three to six months.

3) **1332 State Innovation Waiver Option.** The guidance specifically provides the states with the process for waiving the online functionality requirement of SHOP to pursue an alternative way of providing assistance to small employers. House Bill 4017 (2016) gave DCBS the authority to explore the possibilities associated with 1332 waivers, and DCBS will begin discussing those possibilities with the Oregon Health Insurance Marketplace Advisory Committee in fall 2016.

The agency’s overall goal is to figure out how to best serve the health care coverage needs of small businesses. An automated SHOP is one tool to do that. At the most-recent meeting of the Oregon Health Insurance Marketplace Advisory Committee, the agency and committee began formally discussing the options. The agency intends to take a closer look at what other states are doing and to do more outreach to Oregon’s small businesses to get their input before deciding which option to pursue.

In the meantime, Oregon will continue to use a direct enrollment, manual SHOP process. Any small business in Oregon with one to 50 employees can purchase a certified SHOP plan directly from one of the participating insurers. Upon request, the Marketplace will determine whether
the small employer meets the requirements to participate in the SHOP program and potentially be eligible for the IRS small business tax credit.

VII. Liabilities

Oregon Revised Statute 741.222(1)(f): “The outstanding liabilities, if any, carried over from the Oregon Health Insurance Exchange Corporation.”

As a function of Senate Bill 1, DCBS took responsibility for the liabilities of Cover Oregon. Cover Oregon’s liabilities were factored into the DCBS budget approved by the legislature for the 2015-2017 biennium. As of the date of this report, DCBS has:

- **Assumed or assigned all Cover Oregon leases**
  
  During the time of the transition of Cover Oregon functions to DCBS from March through June 2015, Cover Oregon had lease agreements for three different properties:

  a. **Cherry Avenue:** The original Cover Oregon offices, located at 3414 Cherry Ave. NE in Salem, had a 60-month lease ending Nov. 1, 2016, at $14,129 per month. This property had already been sublet to a third party (Northwest Senior and Disability Services) before enactment of SB 1, and an agreement was reached with the property owner for the third party to assume the lease permanently, releasing Cover Oregon and DCBS from further liability, effective June 30, 2015.

  b. **Spinnaker Place:** The Cover Oregon call center location, at 2250 McGilchrist St. SE in Salem, had an 84-month lease ending Aug. 8, 2020, at $32,144 per month, not including unamortized tenant improvements (TI). Cover Oregon had already made arrangements to exit this lease due to a workforce reduction. The lease was terminated effective March 31, 2015, with $294,000 paid at termination for unamortized TI allowance (which would have been due regardless of when or how the lease was terminated), and $31,000 rent for waiver of the 180-day notice for a total of $325,000 in exit costs.

  c. **Durham Plaza:** The Cover Oregon corporate headquarters, located at 16760 SW Upper Boones Ferry Road, #200 in Tigard, was composed of a primary lease agreement with two amendments. The primary lease was for most of the office space in suite 200, with a 90-month lease ending April 1, 2020, for $47,259 per month, not including unamortized TI. Two more suites were added later, each on a separate amendment: Suite 105, on a 75-month term ending April 1, 2020, for $4,356 per month; and Suite 106, on a 70-month term ending April 1, 2020, for $5,128 per month. DCBS retained this lease, and it currently houses a field office for Oregon OSHA, a division of DCBS, and the Workers’ Compensation Board, both of which were already looking for a larger space to accommodate growth. The lease was assumed in its entirety by DCBS as of July 1, 2015.

- **Taken over the process of assigning, renegotiating, or terminating all contracts as appropriate and set up a process for handling Cover Oregon accounts payable**
The table below lists all Marketplace contracts, including contracts from Cover Oregon, that are still active and have not been terminated. All of these contracts have been factored into the DCBS budget.

<table>
<thead>
<tr>
<th>Status</th>
<th>Contract #</th>
<th>Contractor</th>
<th>Service</th>
<th>Contract amount</th>
<th>Effective date</th>
<th>Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>DCBS-1591-16</td>
<td>BCI Group Inc</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 12, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1588-16</td>
<td>Bancorp Insurance</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1590-16S</td>
<td>Barlow Insurance</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 7, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1597-16</td>
<td>Boone Insurance Associates</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1592-16</td>
<td>Bredimus Insurance Agency</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
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<td>DCBS-1589-16</td>
<td>Aaron Michael Burns</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 12, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1593-16</td>
<td>Carney Insurance</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
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<td>CO 13-0028</td>
<td>Center for Medicaid Services</td>
<td>Computer Matching agreement</td>
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</tr>
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<td>Active</td>
<td>CO 13-0029</td>
<td>Center for Medicaid Services</td>
<td>Information exchange agreement</td>
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<td>CO 13-0030</td>
<td>Center for Medicaid Services</td>
<td>Master Interconnection Security agreement</td>
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<td></td>
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<tr>
<td>Active</td>
<td>DCBS-1595-16</td>
<td>Central Financial Services of Oregon</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1583-16</td>
<td>Chehalem Insurance Associates</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
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<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1600-16</td>
<td>Country Financial</td>
<td>Agent Storefront Program</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
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<td>Linda Dugan</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1559-16</td>
<td>Dolly England</td>
<td>Faith Based Outreach</td>
<td>$7,000</td>
<td>March 22, 2016</td>
<td>March 21, 2017</td>
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</tr>
<tr>
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<td>DCBS-1571-16</td>
<td>FG Insurance, Inc.</td>
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<td>June 30, 2017</td>
</tr>
<tr>
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<td>DCBS-7150-16</td>
<td>Garvey Schubert Barer</td>
<td>Special Assistant Attorney General</td>
<td>$240,000</td>
<td>Feb. 8, 2016</td>
<td>Dec. 31, 2016</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1572-16</td>
<td>Gordon Wood dba The Health Insurance Store</td>
<td>Agent Storefront Program</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
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<td>DCBS-2914-15</td>
<td>Grady Britton</td>
<td>Media Advertising</td>
<td>$3,284,695</td>
<td>July 17, 2015</td>
<td>July 17, 2017</td>
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<tr>
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<td>DCBS-1576-16</td>
<td>HE Cross Company</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<tr>
<td>--------</td>
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<tr>
<td>Active</td>
<td>DCBS-1574-16</td>
<td>Harry Abel Insurance</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1573-16</td>
<td>Healthwise Insurance Planning</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1596-16</td>
<td>Healthy, Wealthy and Wise</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<tr>
<td>Active</td>
<td>DCBS-1598-16</td>
<td>High Desert Insurance</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<tr>
<td>Active</td>
<td>DCBS-1578-16</td>
<td>iCover Oregon</td>
<td>Agent Storefront Program</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<tr>
<td>Active</td>
<td>DCBS-1594-16</td>
<td>Insurance Lounge, Inc.</td>
<td>Agent Storefront Program</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<td>Active</td>
<td>DCBS-1577-16</td>
<td>Insurance Marketplace</td>
<td>Agent Storefront Program</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<tr>
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<td>DCBS-1568-16</td>
<td>Insured by Gallegos</td>
<td>Agent Storefront Program</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<tr>
<td>Active</td>
<td>CO # 12-0011 / DCBS-1156-15</td>
<td>Interactive Intelligence</td>
<td>Supports call center outbound call queue.</td>
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<td>Nov. 8, 2012</td>
<td>Oct. 31, 2017</td>
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<tr>
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<td>DCBS-1579-16</td>
<td>Jefferson State Financial Group</td>
<td>Agent Storefront Program</td>
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<td>July 12, 2016</td>
<td>June 30, 2017</td>
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<tr>
<td>Active</td>
<td>DCBS-1599-16</td>
<td>KGM International</td>
<td>Agent Storefront Program</td>
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<td>July 1, 2016</td>
<td>June 30, 2017</td>
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<tr>
<td>Active</td>
<td>DCBS-5173-14</td>
<td>Markowitz Herbold Glade &amp; Mehlha</td>
<td>Special Assistant Attorney General</td>
<td>$2,000,000</td>
<td>May 15, 2014</td>
<td>Dec. 31, 2016</td>
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<tr>
<td>Active</td>
<td>DCBS-7197-16</td>
<td>Moss Adams</td>
<td>Financial analyses concerning state and federal monies expended on certain technology projects</td>
<td>$200,000</td>
<td>March 10, 2016</td>
<td>Dec. 31, 2016</td>
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<td>Active</td>
<td>DCBS-1347-15 Amd #1</td>
<td>Maximus</td>
<td>IT Quality Assurance</td>
<td>$12,000</td>
<td>Nov. 3, 2015</td>
<td>Aug. 31, 2016</td>
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<td>Active</td>
<td>DASPS-2618-16</td>
<td>McGuireWoods Consulting</td>
<td>Federal Health Consulting</td>
<td>$4,000/mo.</td>
<td>May 2, 2016</td>
<td>May 1, 2018</td>
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<td>CO 13-0031</td>
<td>NAIC/SERFF</td>
<td>Plan web services license agreement</td>
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<td>UNK</td>
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<td>NW Securities Advisors</td>
<td>Agent Storefront Program</td>
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<td>June 30, 2017</td>
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<td>Active</td>
<td>DCBS-1601-16</td>
<td>Oregon Insurance Exchange</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>None - Credit card purchase</td>
<td>Paylocity</td>
<td>Web Pay Access - payroll Records archiving</td>
<td>$500/yr- paid in full</td>
<td>July 31, 2015</td>
<td>July 30, 2018</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-7193-16</td>
<td>Perkins Coie</td>
<td>Special Assistant Attorney General</td>
<td>$400,000</td>
<td>March 28, 2016</td>
<td>Dec. 31, 2017</td>
</tr>
<tr>
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<tr>
<td>Active</td>
<td>DCBS-1569-16</td>
<td>Pfaff Karen Insurance</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1585-16</td>
<td>RJS &amp; Associates Insurance Services</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1586-16</td>
<td>Reinholdt &amp; O'Harr Insurance</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1584-16</td>
<td>Revell Coy Insurance</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1575-16</td>
<td>Sammis Ins DBA Health Insurance Place</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DASPS-1397-15</td>
<td>Speridian Technology Inc.</td>
<td>Programming and support for CO Siebel system</td>
<td>$3,897,600</td>
<td>June 9, 2014</td>
<td>Dec. 31, 2018</td>
</tr>
<tr>
<td>Amd #2</td>
<td>DASPS-1397-15</td>
<td>Speridian Technology Inc.</td>
<td>Adds $2,614,700 to develop system to replace Oracle system</td>
<td>$6,512,300</td>
<td>Oct. 15, 2015</td>
<td>Dec. 31, 2018</td>
</tr>
<tr>
<td>Amd #3</td>
<td>Speridian Technology Inc.</td>
<td>Add $2,156,558</td>
<td>$8,668,858</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Amd #4</td>
<td>Speridian Technology Inc.</td>
<td>Adds $57,500</td>
<td>$8,726,358</td>
<td></td>
<td></td>
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<td>Amd #5</td>
<td>Speridian Technology Inc.</td>
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<tr>
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<td>TNT Insurance Services</td>
<td>Agent Storefront Program</td>
<td>$10,000</td>
<td>July 1, 2016</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Active</td>
<td>DCBS-1564-16</td>
<td>Ted von Glahn</td>
<td>Quality Improvement Strategy</td>
<td>$86,093.75</td>
<td>May 6, 2016</td>
<td>April 31, 2018</td>
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<tr>
<td>Active</td>
<td>DCBS-1602-16</td>
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<tr>
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</tr>
<tr>
<td>Active</td>
<td>DCBS-1526-16</td>
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<td>Basic Health Program study</td>
<td>$115,000</td>
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<td>pending</td>
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<tr>
<td>Pending</td>
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<tr>
<td>Pending</td>
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<tr>
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<td>Pending</td>
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<td>DCBS-1468-16</td>
<td>COFA National Alliance Networks</td>
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<td>Aug. 12, 2016</td>
<td>Aug. 15, 2017</td>
</tr>
<tr>
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<td>DCBS-1002-16</td>
<td>Project Access NOW</td>
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<td>Aug. 2, 2016</td>
<td>Aug. 31, 2017</td>
</tr>
<tr>
<td>Status</td>
<td>IGA #</td>
<td>Other Division</td>
<td>Service</td>
<td>Contract Amount</td>
<td>Effective Date</td>
<td>Expiration</td>
</tr>
<tr>
<td>--------</td>
<td>-------------</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>----------------</td>
<td>------------</td>
</tr>
<tr>
<td>Active</td>
<td>45A000007</td>
<td>DHS - SNAP</td>
<td>Confidential records</td>
<td>0</td>
<td>Oct. 15, 2015</td>
<td>June 30, 2016</td>
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<tr>
<td>Active</td>
<td>CO 13-0026</td>
<td>DHS/OHA</td>
<td>Provide access/exchange protected information</td>
<td>0</td>
<td>Sept. 19, 2013</td>
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<td>SAAG</td>
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<td>Email security and archiving. This service will continue to archive emails prior to July 1, 2015.</td>
<td>$15,000.00</td>
<td>Sept. 1, 2015</td>
<td>Aug. 31, 2017</td>
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<tr>
<td>Active</td>
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<td>Oregon Educators Benefit Board</td>
<td>Monthly transfer of data</td>
<td>0</td>
<td>March 1, 2016</td>
<td>Dec. 31, 2020</td>
</tr>
</tbody>
</table>

- Archived and decommissioned Cover Oregon’s supporting systems in coordination with the Oregon Health Authority (OHA)
  The contract with Oracle and use of the Oracle system ended as planned in March 2016. DCBS implemented an archive solution to store the data from the Oracle system as required by CMS and the IRS. The archive solution was moved into production April 1, 2016. The archive solution is designed to process 1095A corrections for plan year 2014 for DCBS and perform 1095B processing for OHA, which was implemented in February 2016.

- Developed an agreement with OHA to govern cost allocation for IT services and systems
  See the chart under “OHA Transfer” in the Financial Condition section of this report for a list of each IT contract shared by DCBS and OHA and cost allocated to each agency for the 2015-2017 biennium.
• Continued to cover legal services costs and factor in the associated legal liabilities into its budget planning

The State of Oregon settled the litigation between it, including DCBS, and Oracle America, Mythics, Inc. (an Oracle re-seller), and five current and former Oracle employees in September 2016. The state continues to cooperate with several federal investigations concerning the health insurance exchange. A tort claim notice was served on the state that threatens litigation against former Cover Oregon directors. See the litigation summary attached to this report (Attachment A). Generally, legal work in Oregon is funded through a mix of General Fund dollars and Other Fund dollars, as appropriated by the Legislature. The Department of Justice has been providing updated cost information to the Legislative Fiscal Office on a regular basis.

VIII. Federal Agreements

Oregon Revised Statute 741.222(1)(g): “Any agreements entered into or modification of existing agreements with federal agencies necessitated by the department’s assumption of the responsibility for administering the exchange.”

DCBS has not entered into any new agreements with federal agencies. As a function of Senate Bill 1, DCBS assumed responsibility for the information exchange agreement (IEA) with the federal government and the management of the federal grants awarded to Cover Oregon. DCBS is currently closing out the federal grants and completing all required reporting.

On Oct. 25, 2016, DCBS entered into the Federal Platform Agreement with CMS for the use of the federal platform for plan year 2017. The agreement establishes the mutual obligations of the SBE-FP and CMS when a state elects to operate, such as Oregon has, as a State-based Exchange on the Federal Platform. The agreement establishes that Oregon will rely on the federal eligibility and enrollment platform to carry out certain exchange functions, including eligibility, enrollment, maintenance of the related information technology, call center operations, and casework support. DCBS will maintain and assume various obligations across operational areas, including, but not limited to, compliance with exchange standards and a user fee collected by CMS from SBE-FP issuers.

IX. Additional Information

Oregon Revised Statute 741.222(1)(h): “Any other information requested by the leadership of the Legislative Assembly.”
i. **COFA Islander Premium Assistance Program (House Bill 4071, 2016 session)**

*House Bill 4071 establishes “the COFA Premium Assistance Program to be administered by the Department of Consumer and Business Services.”*

Gov. Kate Brown signed House Bill 4071 on April 4, 2016, and it took effect on its passage. The bill establishes a program for low-income citizens of the island nations in the Compact of Free Association (COFA) who are residing in Oregon to receive financial help to purchase health insurance through the Marketplace and to pay out-of-pocket costs for allowed in-network services associated with the coverage. On April 12, 2016, DCBS convened an advisory committee to advise the department in the development, implementation, and operation of the program.

Since April, DCBS and the COFA advisory committee have made significant progress toward developing the program. DCBS has:

- Finalized the premium payment workflow between DCBS and the carriers.
- Finalized the in-network, out-of-pocket payment model between DCBS and the program enrollees.
- Filed administrative rules for the program.
- Finalized reporting requirements, including key performance indicators for the program.
- Launched outreach and education campaign.
- Distributed outreach and education materials.
- Published the list of program-approved plans.
- Awarded a COFA Community Partner grant to help participants enroll.
- Held application fairs and outreach events.
- Finalized program network infrastructure and IT needs.
- Held program-specific trainings with agents and community partners.
- Began accepting applications on Oct. 1.

Next steps the agency will complete by January 2017 include:

- Issuing monthly payments for consumers’ share of their premiums to their preferred insurance carrier.
- Begin processing requests for reimbursements for allowed in-network out-of-pocket costs.
- Launching an education campaign to ensure that COFA enrollees use their health insurance.
- Processing additional applications for COFA citizens eligible for a special enrollment period.

Open enrollment, when participants will be able to sign up for coverage, began Nov. 1, 2016, and will last until Jan. 31, 2017. As required by House Bill 4071 (2016), DCBS will submit a comprehensive report to the Legislative Assembly about the program by Dec. 31, 2017.
More information about the department’s progress developing the program will be posted at http://healthcare.oregon.gov.Pages/cofa-pap-committee.aspx as it becomes available.

ii. Basic Health Program (House Bill 4017, 2016 session)

House Bill 4017 requires DCBS to "create and present to the interim committees of the Legislative Assembly related to health a report containing a blueprint for a Basic Health Program."

Gov. Brown signed House Bill 4017 on March 15, 2016, and it took effect on its passage. The bill requires DCBS, in collaboration with OHA and a stakeholder advisory group, to create a blueprint for a Basic Health Program and gives DCBS sole authority for waivers for state innovation, including alternative approaches for achieving the objectives of the Basic Health Program.

DCBS, OHA, and the stakeholder advisory group met three times to discuss the Basic Health Program. During these meetings, the advisory group had the opportunity to review the Wakely Consulting Group and Urban Institute’s update to the “Oregon Basic Health Program Study” from 2014. The Wakely and Urban team participated in the meetings to present, discuss, and answer the advisory group’s questions about its study update. In addition, the advisory group was provided the DCBS policy report to the Wakely study update. This policy report includes a response to the Wakely BHP report update, BHP subcommittee considerations and concerns regarding BHP in Oregon, other states’ experiences with operating a BHP and findings from states that considered and rejected a BHP, and any other information related to BHP that may be helpful to the advisory group and legislators.

On Nov. 9, 2016, DCBS will present its policy report, advisory committee comments, and the Wakely Update to the Oregon Health Insurance Marketplace Advisory Committee. At that time, DCBS will take into consideration the advisory committee’s comments and incorporate them into the DCBS policy report. The final DCBS policy report, the Wakely update, and the BHP Blueprint will then be submitted, in line with HB 4017.

More information about the department’s progress will be posted at http://healthcare.oregon.gov/Pages/committe.aspx as it becomes available.

iii. Eligibility and Enrollment Data


<table>
<thead>
<tr>
<th>Data as of</th>
<th>Jan. 31, 2016</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment</td>
<td>147,109</td>
<td>131,167</td>
</tr>
<tr>
<td>Enrollees receiving advance premium tax credits (APTC)</td>
<td>104,447 (71%)</td>
<td>95,507 (73%)</td>
</tr>
</tbody>
</table>
Between the end of open enrollment and March 31, Oregon had a retention rate of 89 percent overall, 91 percent for those receiving the advance premium tax credit (APTC), and 92 percent for those receiving cost-sharing reductions (CSR). These retention rates are similar to the retention rates Oregon experienced last year, as shown in the table below.

<table>
<thead>
<tr>
<th>Date</th>
<th>2016 Enrollment</th>
<th>2016 Retention Rate</th>
<th>2015 Enrollment</th>
<th>2015 Retention Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of Open Enrollment</td>
<td>147,109</td>
<td>100%</td>
<td>112,024</td>
<td>100%</td>
</tr>
<tr>
<td>Quarter 1 (March 31)</td>
<td>131,167</td>
<td>89%</td>
<td>102,253</td>
<td>91%</td>
</tr>
<tr>
<td>Quarter 2 (June 30)</td>
<td>TBD</td>
<td>TBD</td>
<td>102,912</td>
<td>92%</td>
</tr>
<tr>
<td>Quarter 3 (Sept. 30)</td>
<td>TBD</td>
<td>TBD</td>
<td>99,654</td>
<td>89%</td>
</tr>
<tr>
<td>Quarter 4 (Dec. 31)</td>
<td>TBD</td>
<td>TBD</td>
<td>91,289</td>
<td>81%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>2016 Receiving APTC</th>
<th>2016 Retention Rate</th>
<th>2015 Receiving APTC</th>
<th>2015 Retention Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of Open Enrollment</td>
<td>104,447</td>
<td>100%</td>
<td>86,258</td>
<td>100%</td>
</tr>
<tr>
<td>Quarter 1 (March 31)</td>
<td>95,507</td>
<td>91%</td>
<td>79,946</td>
<td>93%</td>
</tr>
<tr>
<td>Quarter 2 (June 30)</td>
<td>TBD</td>
<td>TBD</td>
<td>77,153</td>
<td>89%</td>
</tr>
<tr>
<td>Quarter 3 (Sept. 30)</td>
<td>TBD</td>
<td>TBD</td>
<td>74,261</td>
<td>86%</td>
</tr>
<tr>
<td>Quarter 4 (Dec. 31)</td>
<td>TBD</td>
<td>TBD</td>
<td>66,026</td>
<td>77%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>2016 Receiving CSR</th>
<th>2016 Retention Rate</th>
<th>2015 Receiving CSR</th>
<th>2015 Retention Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of Open Enrollment</td>
<td>57,373</td>
<td>100%</td>
<td>52,651</td>
<td>100%</td>
</tr>
<tr>
<td>Quarter 1 (March 31)</td>
<td>52,960</td>
<td>92%</td>
<td>48,235</td>
<td>92%</td>
</tr>
<tr>
<td>Quarter 2 (June 30)</td>
<td>TBD</td>
<td>TBD</td>
<td>45,318</td>
<td>86%</td>
</tr>
<tr>
<td>Quarter 3 (Sept. 30)</td>
<td>TBD</td>
<td>TBD</td>
<td>43,492</td>
<td>83%</td>
</tr>
<tr>
<td>Quarter 4 (Dec. 31)</td>
<td>TBD</td>
<td>TBD</td>
<td>38,371</td>
<td>73%</td>
</tr>
</tbody>
</table>

### Outreach Campaigns

2015-2017 DCBS Budget Note: “The budget for the Department of Consumer and Business Services includes funding for marketing and outreach efforts. DCBS is instructed to complete a plan and report on each of the publicity and publication campaigns either upcoming or implemented for the Health Insurance Marketplace Program. The plan and report must be
completed and submitted to the Joint Committee on Ways and Means prior to the beginning of the 2016 legislative session. This plan and report must include at a minimum:

A narrative description of each campaign;

- The total amount of biennial expenditures of each campaign;
- The goals and objectives of each campaign;
- The expected results of each campaign activity; and
- Identification of the quantitative measures that directly demonstrate the effectiveness of the campaign with respect to the goals of the campaign.

It is the intent of the Legislature that the information provided by the plan and report is to be used to formulate potential Key Performance Measures related to the expenditure of funds for the publication, promotion, and outreach efforts undertaken by the agency.”

As of the writing of this report, the Marketplace 2015-2017 biennial spending authority for marketing, publicity, and promotion is $4 million. Approximately $2 million was spent on the 2016 plan year campaign, and the budget for the 2017 plan year campaign is $2 million.

Since the submission of the addendum to the Publicity and Publication Plan and Report Addendum in April 2016, DCBS has continued preparing for the 2017 plan year open enrollment period and developed our 2016-17 communications plan. That plan is available in Attachment B of this report.

**X. Closing Summary**

Since its inception, the health insurance marketplace in Oregon has helped thousands of Oregonians get health insurance and take advantage of financial assistance to help pay for it. DCBS will ensure that the Marketplace continues to provide tools, resources, and education to help customers make informed decisions about both buying and using health care coverage. DCBS will continually improve the services that the Marketplace provides, using data and metrics to track progress, measure the effectiveness of tactics and strategies, and make decisions, all in an effort to better serve the needs of our customers, the people of Oregon. We look forward to reporting more information about the Marketplace in future reports to the legislature.
Attachment A: Litigation Summary

In 2011, the State of Oregon hired a private contractor, Oracle America, Inc., both to modernize its social services systems and develop a health insurance exchange website through which Oregonians would shop for and obtain the insurance coverage required by the federal Affordable Care Act. In early 2013, the State of Oregon transitioned the development of the health insurance exchange website to Cover Oregon, a public corporation. On Oct. 1, 2013, when the website was to be fully operational for the public, it did not work and was never launched to the public. On April 25, 2014, the Cover Oregon Board voted to move to the federal Affordable Care Act website for certain services. In November 2014, Cover Oregon completed its transition to the federal exchange. In addition, the State of Oregon’s project to modernize its social services systems was also placed on hold in 2013 after Oracle failed to meet a series of testing deadlines. In 2014, the State of Oregon elected to transition off of Oracle’s products for its social services systems.

In June 2014, the Oregon Attorney General launched a false claims investigation into Oracle’s charges for both the modernization project and the Cover Oregon health insurance exchange. Subsequent to that, Oracle filed five actions in federal and state courts against Cover Oregon, OHA, DHS, Gov. Brown, and federal HHS, and the state filed two lawsuits against Oracle, its reseller Mythics, Inc., and five current and former Oracle employees. The prior Litigation Summaries describe those lawsuits.

In September 2016, the State of Oregon, including OHA, DHS, and DCBS, as the successor to Cover Oregon, settled all litigation with Oracle, Mythics, and the five individuals, which resulted in a dismissal of all lawsuits between them plus dismissal of the Oracle lawsuit against federal HHS. The press release concerning the settlement with the State is available here: http://www.doj.state.or.us/releases/Pages/2016/rel091516a.aspx.

There is additional potential litigation that concerns the Oregon health insurance exchange, although the claims are not against DCBS. Former Chief Information Officer for OHA and DHS Carolyn Lawson served tort claim notices against, among others, two individuals in their capacity as directors of Cover Oregon.

There are several ongoing federal investigations, including by the Government Accountability Office, the United States Grand Jury for the District of Oregon, and committees in both the United States House of Representative and the United States Senate. The State of Oregon is cooperating fully in those investigations.
Oregon Health Insurance Marketplace

Communications Plan

2016 - 2017
Communications Plan

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Overview

The Oregon Health Insurance Marketplace ("Marketplace") empowers Oregonians to improve their lives through local support, education, and access to affordable, high quality health care coverage. The Marketplace gives Oregonians the information and tools they need to search for, compare, and choose the right health coverage. The Marketplace also provides Oregonians with access to premium tax credits and cost-sharing subsidies to help them pay for their insurance.

Since the passage of the Affordable Care Act ("ACA"), the number of uninsured or underinsured Oregonians has dramatically decreased. Much of this decrease is due to the Marketplace. Enrollment in the Marketplace has significantly increased every year:

<table>
<thead>
<tr>
<th>Plan Year</th>
<th>Enrollment</th>
<th>Increase over prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>68,308</td>
<td>N/A</td>
</tr>
<tr>
<td>2015</td>
<td>112,024</td>
<td>64 percent</td>
</tr>
<tr>
<td>2016</td>
<td>147,109</td>
<td>31 percent</td>
</tr>
</tbody>
</table>

The Marketplace will build upon these successes during the 2017 plan year open enrollment period by pursuing targeted outreach and education that drives enrollment and continues to build trust in the Marketplace. The Marketplace will make the most of its partnerships and stakeholder relationships, leverage existing communications networks, continue to innovate on ways to reach audiences, and use communications tactics grounded in research and best practices. The Marketplace will focus on attracting new customers, retaining current ones, and helping Oregonians make the most of their insurance and available tax credits and subsidies.

This strategic communication plan is a roadmap for March 2016 through March 2017. This will be a living document, and it will be continually updated to reflect new information, insights, opportunities, lessons learned, and challenges as they arise.

Background

This communication plan is based on several different assessments of available information and data:

- Analysis of data from the 2016 plan year open enrollment period campaign, including enrollment numbers; data from agents, community partners, and promotional partners; website analytics; ad impressions and clicks; and earned media numbers
- Conversations about successes and lessons learned with various partners and stakeholders
- Reports from the U.S. Department of Health and Human Services
- Review of communication efforts in other states
- Consumer polling

The Marketplace will continue to perform research on a regular basis to ensure its communications plan reflects the latest trends and lessons learned, including conducting
outreach to academic and research organizations, analyzing post-enrollment research to gauge effectiveness, and continually seeking feedback to make improvements.

Communication Goals

Goals
Straightforward, transparent, and reliable communication is key to the success of the Marketplace. The Marketplace’s communications plan serves the following goals:

1) Ensure all Oregonians get the health coverage they need.

2) Drive enrollment in QHPs for individuals and small businesses.
   - Make sure Oregonians know where to go to shop for, enroll in, and renew health insurance coverage.
   - Educate the public about their health insurance options, financial help, how life changes affect coverage, and in-person assistance.

3) Establish trust in the Marketplace among Oregonians and stakeholders.
   - Engage stakeholders in processes and decisions.
   - Ensure equitable representation from industry and consumer groups.
   - Communicate thoroughly with partner agencies and divisions.
   - Communicate regularly with federal counterparts.
   - Maintain transparency with the public, media, the legislature, and congress.
   - Promote the public interest and be accountable to the public.

Outreach and Education Metrics
The Marketplace will track metrics on outreach and education efforts. These metrics will include:

- Enrollment data
- Pre- and post-enrollment consumer surveys
- OregonHealthCare.gov website analytics, including sessions, time spent on site, and actions on site
- Advertising impressions, click-through rates, completed video views, and other related metrics
- Advertising by target audiences:
  - Number of different types of placements (e.g., 23,000 ad placements on stations prioritizing African-American and Hispanic audiences)
  - Geographic distribution
  - Media partnerships
  - Lifestyle targeting through social channels (e.g., people near age 26)
- Earned media stories, circulation, sentiment
- Social media reach
Referrals to local help for in-person assistance
- Calls to the customer service center
- Outreach activities through community partners and assisters
- Outreach activities through agents
- Materials distribution through stakeholders, community groups, and in-person assisters

Stakeholder Consultation Plan
The ongoing engagement and participation of the Marketplace’s diverse and wide-ranging stakeholders is critical to its success. The Marketplace will provide these stakeholders with opportunities to voice their viewpoints about the overall direction of the Marketplace, as well as provide input about specific policies and operations. The Marketplace’s stakeholders are valued partners, and the Marketplace needs to build lasting relationships with them based on trust and a mutual commitment to improve the lives of Oregonians through health care. They can help the Marketplace drive enrollment and ensure that the Marketplace meets the needs of its many audiences and customers.

Advisory Committee
A formal advisory committee, established by Senate Bill 1, will provide guidance and feedback to the DCBS director about the Marketplace on topics such as the assessment, small business health options program (SHOP), insurance plan affordability, outreach, and customer feedback.

The advisory committee will consist of 13 members appointed by the governor and confirmed by the senate, representing insurers, insurance producers, navigators, health care providers, business communities, consumer advocacy groups, enrollees in health plans, and medical assistance agencies. The DCBS director and OHA director will be ex officio members.

Advisory Committee meetings will also provide a forum for public discussion of Marketplace matters. In an effort to maintain transparency, committee schedules and materials will be posted to the Marketplace website.

Gov. Kate Brown submitted a list of nominees to the Oregon Senate on Jan. 12, 2016. The Senate confirmed nominations on Feb. 9, 2016. The advisory committee will begin meeting in April 2016.

Stakeholder Workgroups
The Marketplace will develop and host stakeholder workgroups as needed to ensure the Marketplace receives the feedback necessary for decisions about policies, processes, and plans. Workgroups may be developed for certain stakeholder groups, and these workgroups will be topic-specific and limited in duration.

One-on-One Engagements
The Marketplace will meet one-on-one with organizations, advocates, or coalitions that represent large consumer populations to gather insights that may not be provided in larger workgroups or through the advisory committee.
Consumers
The Marketplace will strive to provide the best possible customer education and service to consumers and seek their feedback about plans and operations whenever possible to help continually improve that service. The Marketplace will engage consumers through the targeted outreach and education efforts outlined later in this plan, including marketing, websites, surveys, and coordination with partnership organizations.

In February 2016, the Marketplace will conduct a consumer survey to help inform Marketplace planning and collect information about general awareness. The Marketplace intends to perform similar consumer surveys following the completion of outreach campaigns to help evaluate their effectiveness.

In an effort to build consumer trust, the Marketplace will focus on transparency for all decision-making, plans, and operations. Advisory committee meetings will provide a public forum for discussion about Marketplace matters and engagement of consumers.

Agents
Agents are critical partners when it comes to outreach, education, training, and customer assistance. The advisory committee will include representation from agents and brokers, and the Marketplace will employ an agent and small business liaison to work with agents and leverage their experience and expertise.

Agent organizations, including the Oregon Professional Insurance Agents, the Oregon chapter of the National Association of Insurance and Financial Advisors, the Oregon Association of Health Underwriters, and the Independent Insurance Agents & Brokers of Oregon, will also be invaluable resources for the Marketplace for gathering feedback and input about its plans and operations. The Marketplace will contribute to the meetings, newsletters, and other communications of those organizations.

The agent and small business liaison will attend meetings of the various agent organizations as well as conduct meet and greets to establish relationships with key members of the above organizations. The Marketplace will use a newsletter and other communication tools to provide information to these groups. The Marketplace will also host an agent summit meeting prior to open enrollment to provide agents with information and training.

The Marketplace will also provide grants to insurance agents to create drop-in enrollment centers during open enrollment. Agents will be available at the enrollment centers to help Oregonians shop for and enroll in health insurance plans through HealthCare.gov, or to provide help signing up for the Oregon Health Plan. Each enrollment center will:
- Provide private spaces to talk to agents and community partners
- Be open throughout the entire open enrollment period during normal business hours
- Remain open until 8 p.m. at least one day a week
- Provide free parking and handicap accessibility
- Be located near public transportation
The Marketplace will also provide these agent grantees with ongoing marketing and outreach support, as well as provide opportunities to share best practices with one another and provide feedback so we can continually evolve and improve the program.

**Insurers**

It is critical that the Marketplace build and maintain strong working relationships with its insurer partners. The advisory committee will include representation from participating insurers. It is also critical that the Marketplace position itself to continually draw new insurers to the Marketplace. Meeting the needs of these key stakeholders through open and reciprocal communication, problem solving, integrity, and exceptional customer service is one of the highest priorities of the Marketplace’s full-time carrier liaison.

In addition to day-to-day customer service contacts with insurers, the Marketplace’s carrier liaison will host a regular meeting with insurer representatives to discuss Marketplace matters. This meeting will be open to medical carriers that participate in the Oregon market, but that do not offer QHPs through the Marketplace. Additional regular meetings with individual carriers, including those that participate in the Oregon market, but not through the Marketplace, will be scheduled to discuss opportunities to create new and strengthen existing partnerships. The Marketplace will also engage insurers during the contracting process to ensure they have the opportunity to provide input and feedback about requirements for participating in the Marketplace.

**Small Business Employees**

Small business employees should have a voice in the development of any SHOP in Oregon. The Marketplace's agent and small business liaison will work with small businesses and other organizations to engage such employees during any decision-making processes about SHOP.

The Marketplace will also develop materials and information for small business employees about coverage options if they do not have employer-based insurance. This will include information about the Marketplace and the Oregon Health Plan. In addition, the Marketplace will perform outreach to those experiencing a job loss to make sure they have the information they need to find coverage for themselves and their families.

**Small Businesses**

The Marketplace will engage representatives of small businesses about any potential SHOP in Oregon. Their feedback and input will be critical in helping the Marketplace choose an overall direction to pursue and about the specifics of any potential program. The agent and small business liaison will be the main point of contact for small businesses about any Marketplace matters. The advisory committee will also include representation from the small-business community.

The Marketplace will also develop materials and information for small-business employers about coverage options for their employees if they do not offer employer-based insurance. This will include information about the Marketplace and the Oregon Health Plan. In addition, the Marketplace will perform outreach to employers about coverage options for employees who lose their jobs.
Business, Industry and Trade Groups
Business, industry, and trade groups will also be a great resource for the Marketplace to gain insight and feedback about SHOP and about enrollment of independent contractors and employees who lack group coverage. The agent and small business liaison will reach out to such groups as appropriate.

Health Care Providers
Health care providers will be represented on the advisory committee, and many are involved in OHA’s community partner program, which will allow the Marketplace to engage them about topics such as outreach, education, training, access, and quality. The Marketplace’s provider liaison will seek to create and strengthen relationships with industry groups, such as the Oregon Medical Association and Oregon Association of Hospitals and Health Systems.

Advocates
Advocates help ensure a healthy balance of voices in public discussions about health care and will be important members of the advisory committee. Their input and assistance with outreach and education will be invaluable.

Oregon Legislature
The DCBS director, Marketplace administrator, and communications and legislative manager will engage the legislature on significant topics and legislative matters involving the Marketplace. The Marketplace will report to the legislature as required by law and will ensure that all information is timely and accurate. The Marketplace will also provide work with legislative staff on any constituent issues.

Oregon Governor’s Office
The DCBS director and Marketplace administrator will maintain continual communication with the Oregon Governor’s Office about Marketplace matters. The Governor’s Office will help provide high-level direction for the Marketplace, especially on high-profile matters like the assessment and SHOP and will assist with interagency coordination.

Congressional Delegation
The Marketplace will set up meetings as necessary with the congressional delegation to ensure they are properly engaged on Marketplace matters.

Division of Financial Regulation (DFR)
The Marketplace and DFR will need to maintain constant communication to ensure coordination of their efforts. The administrators of each organization will meet and discuss issues that impact both organizations as needed and elevate discussions to the Director of DCBS when appropriate. The Marketplace and DFR have also developed an interagency agreement specifically to govern plan management work, which will help ensure a clear division of responsibilities and procedures. Communication, like marketing and media requests, will also be coordinated, and the two organizations will collaborate on marketing campaigns using a shared marketing contract. The Marketplace and DFR meet regularly to discuss issues that impact both divisions and have staff members that communicate regularly about plan management, consumer issues, and other issues that touch both organizations.
Senior Health Insurance Benefits Assistance Program (SHIBA)

SHIBA provides Medicare education, training, counseling and advocacy to Oregonians with Medicare with the support of a community-based counseling workforce that includes certified volunteers. In December 2015, DCBS began a project to integrate the Marketplace and SHIBA programs. The goal of the project is to find ways to make best use of staff resources, outreach and education efforts, and provide better service to Oregonians seeking health insurance, whether through the Marketplace or Medicare.

The Marketplace will integrate messaging about Medicare and SHIBA’s services whenever appropriate in its outreach, including outreach to agents and community partners and in messaging through materials and OregonHealthCare.gov. Outreach center staff will also be cross-trained about Medicare to help provide better service to Oregonians.

DCBS expects to complete integration of the programs by June 30, 2016. SHIBA's toll-free helpline number 800-722-4134 will remain the same.

Oregon Health Authority (OHA)

OHA and the Marketplace share the goal of improving the lives of Oregonians through access to health coverage. The two organizations, stakeholders, and customers all benefit from strategic coordination between OHA and the Marketplace. To maximize the benefits of working together, the Marketplace and OHA have developed interagency agreements for information technology and the community partners program. In addition, the Marketplace and OHA will coordinate communication efforts, including outreach and education, marketing, tribal relations, and service center operations.

Center for Consumer Insurance Information Oversight (CCIIO)

The Marketplace will maintain a strong and working relationship with CCIIO, a unit with the Centers for Medicare & Medicaid Services (CMS). The Marketplace will consult with and seek approval from CCIIO about Marketplace plans and operations as appropriate. For example, the Marketplace consults with CCIIO regarding the development of a SHOP in Oregon. The federal policy liaison will facilitate weekly phone call meetings with Oregon’s CCIIO’s representative leading up to and during open enrollment and bi-weekly conference calls outside of open enrollment.

The Marketplace will also work with CCIIO to coordinate marketing and messaging efforts. When permissible, the Marketplace will work with CCIIO to share data, which can help the Marketplace make informed decisions about education and outreach strategies and plans.

Tribal Consultation Policy

The ACA offers special benefits and protections for American Indians and Alaska Natives (AI/AN) members, including limits on cost sharing and payer of last resort requirements for health programs operated by the Indian Health Service (IHS), Indian Tribes, Tribal organizations, and Urban Indian organizations. CCIIO requires that each state that has one or more federally-recognized tribes create a consultation policy and collaborate with such tribes and their tribal officials on all Marketplace policies that have tribal implications.
The Marketplace has worked with Oregon’s tribes to develop a Tribal Consultation Policy. The policy describes the protocols for the Marketplace to conduct tribal consultation in order to obtain advice on a regular, ongoing basis from designees of Oregon’s nine federally recognized tribes and Urban Indian programs under Title V Health Services for Urban Indians on matters having tribal implications regarding the establishment and ongoing operation of the Marketplace. The advisory committee will also include representation from Oregon’s tribes.

Outreach and Education:

Key audiences
The Marketplace will develop relevant messaging for each key audience:

Customers
- **Current customers**: Messaging includes “HealthCare.gov is still the place to go,” auto renewals, new plans available, shop for a better plan (including “this is how much people saved who actively shopped last year”), life event impacts, how to make the most of your insurance, availability of financial help, and how to get help enrolling
  - Customers eligible for tax credits: Messaging includes continue to save money
  - Customers above 40 percent of federal poverty level (FPL): Messaging includes choice
- **Former customers**: Messaging includes how to get help
- **Future customers**: Messaging includes choice, saving money (including “this is how much people saved last year”), and how to get help
  - People with insurance through individual market plans: Messaging includes saving money, choice, and shop for new plans every year
  - Former Oregon Health Plan (OHP) customers: Messaging includes help with the transition, saving money/affordable coverage
  - Young people getting off their parents’ insurance: Messaging includes importance of health coverage, preventive health coverage, penalties, and value of insurance vs. the penalty
  - The uninsured: Messaging includes importance of health coverage, preventive health coverage, everyone can get insurance, penalties, and value of insurance vs. the penalty
  - Individuals who lose other coverage: Messaging includes choice and saving money
  - Dependents of people who have other coverage: Messaging includes choice and saving money
- **Small business employers**: Messaging includes tax credit certification available and SHOP being developed, which will offer employee choice in plan selection

Stakeholders and Pathways to Consumers
- Organizations that already provide assistance for health coverage programs (e.g., agents, community-based organizations, and social service programs)
- Organizations that work with urban, rural, and specialty populations (community-based organizations, nonprofits, advocates, faith community, etc.)
- Statewide, mission-aligned organizations (e.g., OSU Extension)
• Providers (hospital systems, doctors, nurses, medical office staff, ER staff, county health departments, and safety net clinics)
• Pharmacists
• Business, industry, and trade associations (including HR services and benefit brokers)
• Insurers
• Other state agencies with direct to consumer connections (e.g., Driver and Motor Vehicles)
• Colleges and universities
• Elected officials
• Health care and health reform champions
• Community and business leaders
• Media

Messaging: HealthCare.gov is still the place to go, all messages above for customers, transparency, accountability, opportunities for engagement, and mutual benefit

Community Partner Plan/Navigators/In-person Assisters
The Marketplace will continue its partnership with OHA to provide a network of navigators and in-person assisters through the current Community Partner Program, which has successfully served Oregonians for years. Coordination between the agencies is governed by an interagency agreement (IAA), which covers topics such as training, standards, grant funding, and reporting. The Marketplace will also award at least two community partner grants to community organizations to focus on qualified health plan outreach and enrollment.

Community partners play a critical role in the Marketplace, reaching members of the community where they live and work, communicating in plain language, and providing invaluable in-person assistance. They also have in-roads into diverse geographic, demographic and ethnic communities in Oregon. Some community partners focus on outreach and education. Other community partners will include trained navigators, who will provide enrollment assistance to consumers.

The Marketplace will engage community partners to provide input and expertise about outreach and enrollment strategies to reach potential customers. In conjunction with OHA, the Marketplace will provide support to community partners, including trainings, regional collaborative meetings, workshops, and strategic communications support. Community partners will also help the Marketplace develop marketing materials that are relevant to local audiences.

Events and Promotions
Events and promotions will be coordinated with OHA, community partners, and agents and involve education and outreach, as well as enrollment assistance. The Marketplace will contribute promotional materials and service center staff for events. Events will also help the Marketplace gain media coverage to spread the word about open enrollment.
Agent Engagement
Insurance agents are critical partners for reaching potential customers, including small business owners across the state. The Marketplace will:

- Maintain a list of agents registered with HealthCare.gov
- Include a tool on its website to allow consumers to find participating agents
- Issue a newsletter to provide agents with updates and relevant information
- Provide training sessions for agents
- Provide agents with Marketplace-related materials
- Invite agents to participate in enrollment events and promotions
- Continue the agent storefront program

Digital Strategy
The Internet provides a wide range of outlets for education, outreach, and assistance for the Marketplace. The Marketplace will take full advantage of digital strategies to spread messages and reach specific audiences online, and it will coordinate messaging and online presence with its various partners, including OHA, CMS, community partners, insurers, and other stakeholders. Outreach will include digital strategies such as paid social and search advertising.

Websites
The Marketplace will continue to use OregonHealthCare.gov as its website. The website will be managed by the Marketplace, and the Marketplace will work with OHA to ensure the website meets their needs and the needs of Oregon Health Plan (OHP) customers.

For Marketplace customers, the website will focus on sending people to HealthCare.gov and providing a central place for local information and resources. It will also provide information and resources for Marketplace stakeholders and partners. For OHP customers, the website will focus on OHP applications and renewals and providing OHP information and resources.

The website will include:

- Screening questions
- A portal to HealthCare.gov
- A portal to the OHP application process
- Access to information on QHPs, Medicaid, insurance affordability programs, and SHOP
- Searchable information for consumers to find in-person help through community partners (navigators) and agents
- Event schedule
- Contact information for the Marketplace call center
- Information and materials for community partners and navigators
- Financial information specified in 45 CFR 155.205(b)
- Links to other relevant information and websites, including those operated by the IRS, CMS, and OHA.
All information on the website will be provided in plain language and in a manner that is accessible to individuals with disabilities and individuals with limited English proficiency, as required in 45 CFR 155.205(c). The website will be available in Spanish, Russian, and Vietnamese. Tag lines will be provided for additional languages.

The HealthCare.gov website will provide the following functionality for the Marketplace:

1) Provides standardized comparative information on each available QHP, including at a minimum the following:
   a. Premium and cost-sharing information
   b. The summary of benefits and coverage established under section 2715 of the PHS Act
   c. Identification of whether the QHP is a bronze, silver, gold, or platinum level plan as defined by section 1302(d) of the Affordable Care Act, or a catastrophic plan as defined by section 1302(e) of the Affordable Care Act
   d. The results of the enrollee satisfaction survey, as described in section 1311(c)(4) of the Affordable Care Act (functionality to be provided at a later date by CMS)
   e. Quality ratings assigned in accordance with section 1311(c)(3) of the Affordable Care Act (functionality to be provided at a later date by CMS)
   f. Medical loss ratio information as reported to HHS in accordance with 45 CFR part 158 (functionality to be provided at a later date by CMS)
   g. Transparency of coverage measures reported to the Exchange during certification in accordance with 45 CFR 155.1040 (functionality to be provided at a later date by CMS)
   h. The provider directory made available to the Exchange in accordance with 45 CFR 156.230 (functionality to be provided at a later date by CMS)

2) Allows for consumer application process to be completed and an eligibility determination to be made

3) Allows a qualified individual to select a QHP

4) Makes available by electronic means a calculator to facilitate the comparison of available QHPs after the application of any advance payments of the premium tax credit and any cost-sharing reductions.

**Social Media**

The Marketplace will maintain a presence on social media to share information with consumers, partners, and stakeholders. Social media may include Twitter, Facebook, LinkedIn, YouTube, and other similar platforms.

**Outreach Center/Toll-free Number**

The Marketplace will have an outreach center with the current toll-free number, 1-855-268-3767, to answer consumer questions, solve problems, and provide education about health insurance matters. Outreach center team members will also provide outreach in the field, working closely with OHA staff, agents, and community partners to staff events, perform in-person assistance, and help educate the public. Outreach center staff will also handle public records requests and constituent services. The Marketplace will also have access to translation services to provide service to those who speak languages other than English.
Marketing
Marketing includes all creative materials, such as advertising, developed to support outreach and education efforts. The Marketplace will coordinate all state marketing efforts with federal marketing efforts, and the Marketplace’s materials will focus on driving consumers to HealthCare.gov and providing local, Oregon-specific information. The Marketplace will work with its partners and stakeholders to ensure that creative concepts and materials appeal to, reach, and resonate with their intended audiences.

To assist with planning, development, and publishing creative materials, the Marketplace will work with its marketing firms, and the Marketplace will leverage DCBS’s existing connections to various multicultural organizations to provide appropriate messaging to underserved and diverse communities.

Marketing Contract
DCBS will continue to use a third-party marketing vendor to leverage the marketing expertise of a full-service agency serving both the Marketplace and DFR. The Marketplace will manage all advertising efforts to ensure consistency in messaging and proper management of creative rights and licensing.

Marketing services will include the following:

- Account management, including regular calls, timelines, and planning to keep DCBS informed on progress
- Strategic communications planning and support to identify target audiences, key messages, and recommend the best tactics to reach these audiences
- Qualitative and quantitative research to measure consumer awareness and behaviors as well as response to marketing campaign
- Creative development of all communication assets, including paid placements and other collateral for outreach partners and stakeholders
- Development and implementation of media buy strategy (including, but not limited to television, radio, print, digital, outdoor, social media advertising, direct response)
- Capacity building support for agents and partners
- Earned and social media support to promote the Marketplace and DFR services to consumers
- Evaluate and optimize the effectiveness of various campaign strategies, including but not limited to the effectiveness in increasing renewals and enrollment through the Oregon Health Insurance Marketplace

Earned Media
The Marketplace will seek earned media to promote enrollment, as well as health care education. Earned media provides a great way to get out messaging regarding the potential
benefits of health care and the value of HealthCare.gov to provide choice, subsidies, and tax credits and the Marketplace to provide local information, resources, and assistance. The Marketplace will seek editorial pieces and stories in state, local, and community-level media outlets to reach potential consumers and key audiences.

The Marketplace will develop a detailed strategy to gain earned media with its third-party marketing vendor beginning in summer 2016. We will likely work to tell stories through statewide and major daily publications, and equip agents and partners to tell stories at the community level.

**Paid Media**
The Marketplace will pursue a targeted paid media campaign. Advertising will focus on promoting enrollment and renewals, the value of the Marketplace, and health care education. The Marketplace will make the most of DCBS’s existing media contacts, including multicultural outlets. In addition, the Marketplace will make judicious use of marketing funds for television, radio, online, outdoor, social media advertising, and print advertising. Paid media will include a statewide campaign as well as targeted advertising to specific audiences that fit our enrollment goals. Advertising materials will be developed by the Marketplace in consultation with stakeholders to ensure cultural and geographic relevancy. Advertising will be created in various languages as appropriate.

**Materials**
The Marketplace will develop new materials and repurpose existing materials for use by community partners, agents, and other stakeholders. Materials may include:

- Newsletters
- Fliers
- Posters
- Handouts
- Advertising
- Videos
- Signage

Materials will be transcreated, in-language and made culturally relevant for diverse communities as appropriate using the help of paid communication advisors who are members of these communities.

**Communication Timeline for 2016-2017**

- February – March 2016: Analyze success of 2016 Open Enrollment Outreach and Education Campaign
- March 2016: Possible COFA premium assistance program implementation start
- March – June 2016: Develop strategic communication plan for 2016-2017
- March – August 2016: Plan 2017 Open Enrollment Outreach and Education Campaign
- March – October 2016: Migrate and redesign website
- April 15, 2016: Annual report about Marketplace due to legislature
• April – May 2016: DFR Awareness Campaign launch
• June 2016: Renew and modify Community Partner IAA with OHA
• August 2016: Sign Agent Storefront grants
• August – October 2016: Creative production for Open Enrollment Outreach and Education Campaign
• September 2016: Beginning of COFA premium assistance program outreach and education campaign
• September – October 2016: Sign Community Partner grants
• October 2016: Hold agent and Community Partner training and distribute materials
• November 2016: 2017 Open Enrollment Outreach and Education Campaign starts
• November 2016: COFA premium assistance program sign ups begin
• Dec. 15, 2016: Deadline for coverage starting January 1, 2017
• Jan. 1, 2017: COFA premium assistance begins
• Jan. 31, 2017: Open Enrollment Outreach and Education Campaign ends
• February 2017: Customer survey about outreach
• February – March 2017: Analyze success of Open Enrollment Outreach and Education Campaign