Oregon Health Insurance Marketplace Advisory Committee

Oliver Droppers

April 7th
Timeline of BHP Stakeholder Engagement in Oregon

1st BHP Stakeholder Meeting
August 2013

HB 4109: BHP Study
April 2014 – November 2014

HB 2934: Submit Recs to Legs.
Dec. 2015

Medicaid Advisory Committee examines “churn” options

July-September 2015
HB 2934 Stakeholder Group
HB 2934 Stakeholder Process (2015)

Stakeholder group: six meetings

- **July 2nd** — initial convening of stakeholder group; outlined key findings from 2014 BHP study.
- **July 29th** — federal guidance related to the BHP; consumer affordability, premium and cost-sharing options for BHP, and benefit coverage.
- **Aug. 13th** — delivery systems, contracting and provider networks, and provider reimbursement.
- **Sept. 16th** — operational and financing considerations; initial design preferences.
- **Oct 8th** — straw models, developed draft recommendations.
- **Nov. 5th** — reviewed and finalized report.
Oregon BHP Design Principles

- Increase access to coverage for uninsured, including those ineligible for Medicaid and Oregon’s COFA population
- Increase affordability of coverage for low-income Oregonians
- Reduce churn by minimizing and mitigating the frequency of and impact from coverage transitions, including the benefit cliff, among ACA insurance affordability programs (IAPs)
- Sponsor an accountable care model using a measurement framework to incentivize quality and population health improvements
Oregon BHP Design Principles (cont.)

- Promote a sustainable and predictable rate of growth
- Maintain a healthy and vital Marketplace and spread the Coordinated Care Model (CCM)
- Exercise stewardship of State resources by maximizing federal resources available through the ACA
### BHP Design Framework: Hybrid-Marketplace

<table>
<thead>
<tr>
<th>Delivery System</th>
<th>CCOs and commercial QHPs compete for BHP enrollees using principles of Oregon’s coordinated care model (CCM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Coverage</td>
<td>Full Medicaid benefit level without adult dental</td>
</tr>
<tr>
<td>Provider Reimbursement</td>
<td>Average of Medicaid and Commercial (~81% of Oregon’s commercial reimbursement rate)</td>
</tr>
<tr>
<td>Premiums &amp; Cost-sharing</td>
<td>&lt;138% FPL, $0; 138-200% FPL graduated cost-sharing through premiums; no deductibles or copays for services</td>
</tr>
<tr>
<td>Eligibility &amp; Enrollment</td>
<td>Marketplace standards; FFM eligibility system (federal hub)</td>
</tr>
<tr>
<td>Consumer Choice</td>
<td>Standard Health Plan (SHP) offerings via Marketplace</td>
</tr>
<tr>
<td>Administrative Functions</td>
<td>Marketplace and carriers (client services, grievances, premium billing)</td>
</tr>
<tr>
<td>Annual Growth Rate</td>
<td>Annualized sustainable rate of growth (e.g. 3.4% OHP, PEBB, OEEB); rate to be determined by Legislature</td>
</tr>
</tbody>
</table>
**Potential Advantages**

- Affordability, more low-income individuals able to afford coverage by reducing premiums and cost sharing for low-income individuals;
- Expand coverage to remaining uninsured 0-200% FPL and increase access to care for remaining uninsured;
- Reduce churn below 200% by smoothing transitions as incomes fluctuate at 138% FPL, potentially reduce rate of pregnancy related churn between Medicaid and the Marketplace;
- Offer additional benefit coverage and encourage appropriate use of primary and preventive care (e.g. removing additional copays);
- Opportunity to expand Oregon’s coordinated care model through Oregon’s Marketplace; and
- Sustainable rate of growth, creating potential long-term savings by controlling annual costs.
BHP: Advantages and Disadvantages (cont.)

Potential Disadvantages
- Federal funding may not cover cost of plans leading to financial exposure for the State, and
- State funding for start-up and ongoing administrative costs.

Uncertainty
- BHP could help stabilize Oregon’s individual market, or destabilize by creating multiple risk pools and low carrier participation