

# **Oregon Health Insurance Marketplace**

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Report to the Joint Interim Committee on  
Ways and Means and Interim Senate and  
House Committees on Health Care

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# Oregon Health Insurance Marketplace Report

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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) created 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). The Marketplace has been a part of DCBS since July 1, 2015, when Senate Bill 1 transferred the duties and functions of Cover Oregon to DCBS.

The Marketplace under DCBS continues to serve Oregonians through local support, education, and access to affordable, high quality health care coverage. Enrollment in 2015 has held steady since the close of open enrollment in February 2015, with more than 107,000 people covered through the Marketplace<sup>1</sup>. Of the 25,000 person increase in Oregon's 2015 individual market enrollment since 2014 all of the increase is due to persons enrolled through the marketplace.

The Marketplace, along with the expansion of Medicaid, has played a significant role in decreasing the percentage of uninsured in Oregon. According to the U.S. Department of Health and Human Services National Health Interview Survey, Oregon's uninsurance rate dropped from approximately 14.2 percent in 2013, prior to implementation of the Affordable Care Act, to approximately 8.8 percent in 2015<sup>2</sup>.

There is still a lot of work to do to make sure Oregonians get the health care coverage they need. As we prepare for the upcoming open enrollment period, which begins November 1, 2015, we will focus both on retaining current Marketplace customers and attracting new ones. We estimate that there are approximately 75,000<sup>3</sup> Oregonians not currently enrolled in the Marketplace who are eligible for subsidies, and they will be one of our main target audiences.

In 2016, we will continue to have one of the most competitive individual health insurance markets in the country. Currently, 11 medical carriers participate in Oregon's marketplace and offer 140 plans. In 2016, 11 medical carriers will offer 120 plans in the Marketplace. HealthCare.gov will continue to be the place where people go to shop, renew, and change plans, and auto-renewal and improvements to the platform should make enrollment much easier than before.

We look forward to the work ahead of us and ensuring that the Marketplace is a trusted and valuable resource for Oregonians in need of health care coverage.



Patrick M. Allen, DCBS Director

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<sup>1</sup> Based on carrier quarterly reports to the Oregon Insurance Division of effectuated enrollment.

<sup>2</sup> US Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, *National Health Interview Survey Early Release Program*

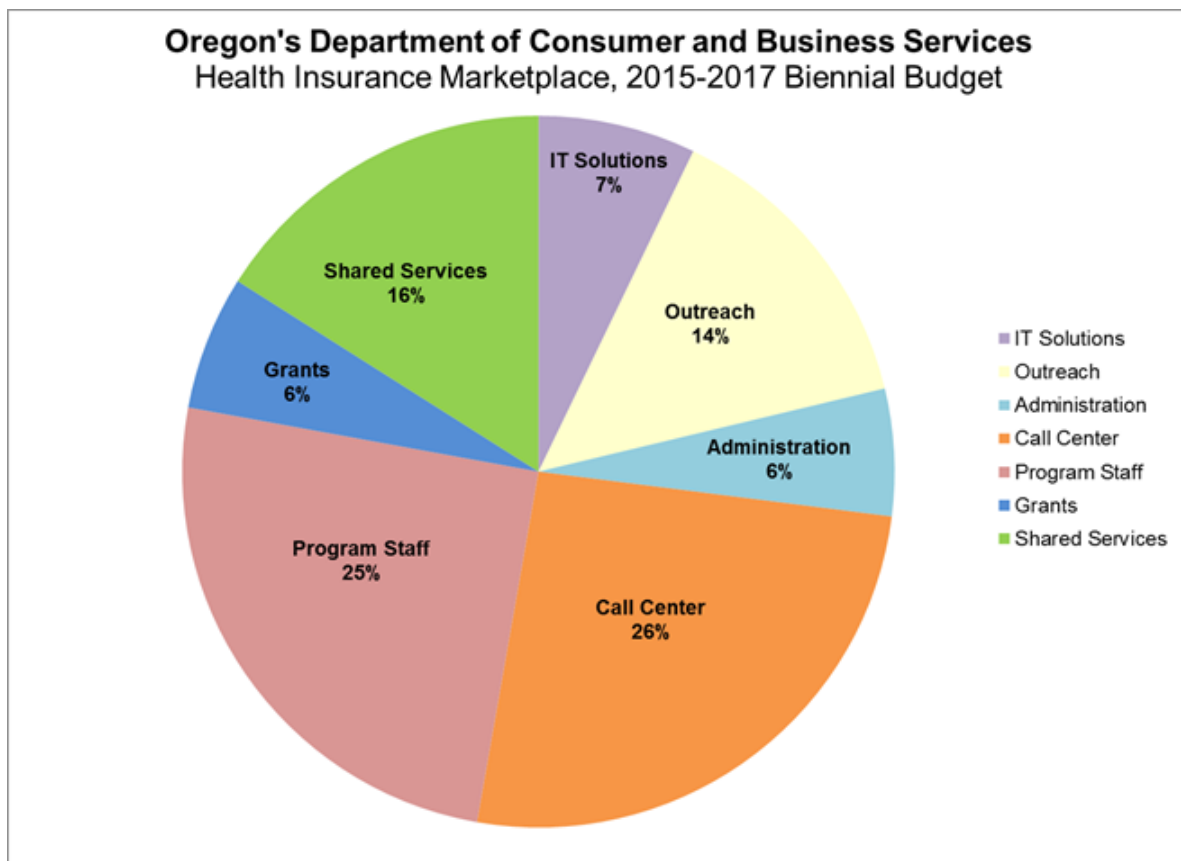
<sup>3</sup> Estimate based on analyses by State Health Access Data Assistance Center, University of Minnesota, School of Public Health and McKinsey Center for US Health System

## II. Financial Condition

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)”

Oregon’s marketplace is currently financially self sustaining, funded through a per member per month fee of \$9.66 for medical plans and \$0.97 for dental plans purchased through the Marketplace. No federal grant funds were transferred to DCBS when it took over management of the Marketplace on July 1, 2015. All federal grants are either closed or in the process of being closed.

The total ongoing operational budget for the Marketplace for the 2015-2017 biennium is \$17.3 million<sup>4</sup>. DCBS is currently working to finalize its 2015-2017 Legislatively Adopted Budget (LAB) through the Department of Administrative Services audit process. As of the date of this report, accounting records have not closed for July and August 2015, and, therefore, actual reportable expenditure and revenue data is unavailable. DCBS will have more information on actual and projected revenues and expenditures for the next scheduled Joint Interim Committee on Ways and Means and Interim Senate and House Committees on Health Care.



<sup>4</sup> LAB limitation less the amounts paid on behalf of Oregon Health Authority for which DCBS will be reimbursed.

Transferring the management of the Marketplace from a public corporation to a state agency allowed the state to take advantage of economies of scale and cost savings due to shared central services. DCBS has 25 Marketplace employees. This includes 12 permanent program staff who handle the core administrative and operational functions and 13 temporary call center representatives. For the sake of comparison, Cover Oregon employed over a hundred people in December 2014.

At this point, the federal government provides its technology platform to Oregon at no charge. DCBS understands that the federal government will begin charging for the platform in 2017. We anticipate federal rules on this topic in November 2015. When more information becomes available about the potential cost and timing, Oregon will need to determine what technology will be the most cost-effective to ensure that the marketplace remains self-sustaining.

### **III. Technology Development**

*741.222(1)(b) "The development of the information technology system for the exchange"*

#### Individual Eligibility and Enrollment System

Oregon successfully moved to the federal platform, HealthCare.gov, for individual enrollments for the 2015 plan year. For the 2016 plan year, Oregon will continue to use HealthCare.gov for eligibility and enrollment for individuals.

Over the last few months, DCBS has successfully executed the archiving and decommissioning of Cover Oregon's supporting systems in coordination with the Oregon Health Authority (OHA). DCBS engaged a quality assurance (QA) vendor to assess the archiving and decommissioning process and ensure work was done in compliance with federal requirements, including those related to data retention schedules and safeguards.

As mentioned in Section II above, DCBS anticipates that the federal government will begin charging for the HealthCare.gov platform in 2017. DCBS has begun the process of collecting information from the federal government, other states, and private vendors about platform options and costs. DCBS will use that information to compare the cost benefits of the federal platform with other options so that an informed decision can be made about the best direction for Oregon and the impacts for the state and its customers.

#### Small Business Health Options Program (SHOP) Eligibility and Enrollment System

Please see Section VI below for a description of the progress toward developing and implementing SHOP in Oregon.

### **IV. Coordination with the Oregon Health Authority**

*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 maintains 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. Areas of collaboration include:

Operations and Technology:

DCBS and OHA are developing an interagency agreement (IAA) that governs the use and 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, and those found ineligible for OHP can apply for a special enrollment period to sign up for a qualified health plan through the Marketplace.

As DCBS archives and decommissions former Cover Oregon systems, DCBS will continue to work closely with OHA to ensure all requirements are met. DCBS is also coordinating with OHA on the implementation of OHA's new Medicaid eligibility and enrollment system, OregONEligibility (ONE), which OHA expects to begin operating this winter.

Outreach and Education:

DCBS and OHA are currently coordinating their outreach and education efforts, focusing on the upcoming open enrollment period for the Marketplace and the implementation of the ONE system. 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; and
- Working together on stakeholder engagement, including on reports and recommendations requested by the legislature, such as for the proposed Basic Health Plan (House Bill 2934, 2015 session) and COFA islander premium assistance program (House Bill 2522, 2015 session).

## **V. Program Integration**

*741.222(1)(d) "The progress of integrating the duties and functions transferred to the Department of Consumer and Business Services"*

The transition of duties and functions from Cover Oregon to DCBS has been completed and went smoothly. Cover Oregon closed on June 30, 2015, and the Marketplace at DCBS is now up and running.

The Marketplace at DCBS is responsible for the major functions of the Marketplace, including but not limited to:

- Administration and management
- Administrative rules and policy
- Exchange reporting
- Program auditing
- Call center operations
- Plan management
- Communications
- Stakeholder engagement (carriers, agents, community partners, advocacy groups, federal agencies, etc.)
- Public records requests
- Navigator program
- Tribal consultation
- Legislative management
- SHOP development

The Central Services Division within DCBS has taken on the following in relation to the Marketplace:

- Budgeting
- Accounting
- Audit coordination
- Grant reporting
- Payroll
- Facilities
- Procurement and contracting
- Human resources/personnel management
- Information technology system management
- Federal required IT security and privacy reporting

In addition, DCBS has taken over management of the following non-recurring functions of the Marketplace:

- 2014 1095-A support. IRS Form 1095-A (Health Insurance Marketplace Statement) is provided to people who purchased a qualified health plan. Form 1095-A includes important information customers will need to complete their tax returns.
- APTC errors. For a small number of customers, Cover Oregon incorrectly estimated the amount of advanced premium tax credits that customers qualified for. DCBS has instituted a process to manage any claims that may result from those errors.
- 2014 agent commissions

DCBS is currently in process of recruiting members for the health insurance marketplace advisory committee established by Senate Bill 1. We plan to seek Senate confirmation in November 2015. In the meantime, DCBS has convened a temporary, informal group of stakeholders that meets about once a month to provide the department with feedback and recommendations about Marketplace matters.

## VI. Small Business Health Options Program (SHOP)

*741.222(1)(e) “The progress in planning for, developing and implementing a Small Business Health Options Program, including the key decision points, timelines and a description of how the department is engaging stakeholders in the design and decision-making process for the SHOP”*

Currently Oregon uses a direct enrollment, manual SHOP process. Any small business in Oregon with one to fifty 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.

For the last few months, DCBS has been collecting information about options for an automated SHOP process. DCBS has consulted with stakeholders, including but not limited to small businesses, associations, insurers, and agents, to better understand their needs and interest. DCBS has also discussed the capabilities and cost of the federal SHOP platform with the federal government, and in April 2015, DCBS released a request for information (RFI) to learn about private vendor platforms.

DCBS is now in the process of developing a request for proposals (RFP) to seek further information from vendors, including detailed cost estimates. We expect to release the RFP in late 2015. After responses have been received and reviewed, DCBS will initiate a decision-making process that includes stakeholder consultation and a cost benefit analysis comparing the federal technology with private vendor technology solutions.

## VII. Liabilities

*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;
- Taken over the process of assigning, renegotiating, or terminating all contracts as appropriate;
- Set up a process for handling Cover Oregon accounts payable;
- Developed an agreement with OHA to govern cost allocation for IT services and systems; and
- Continued to cover legal services costs and factor in the associated legal liabilities into its budget planning.



## VIII. Federal Agreements

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 has 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 in the process of closing out the federal grants and completing all required reporting.

## IX. Additional Information

741.222(1)(h) *“Any other information requested by the leadership of the Legislative Assembly”*

### i. 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.”*

DCBS’s outreach campaigns will educate Oregonians about health insurance options available through the Marketplace, motivate them to enroll and renew their coverage, inform them of the resources available to help them effectively use their insurance and whom to call when they need advocacy services related to their insurance.

DCBS is currently in the process of finalizing its outreach and education campaign plan for the 2016 plan year open enrollment period. The 2016 open enrollment outreach campaign will cover the period between approximately November 1, 2015 and January 31, 2016 and will:

- a. Educate Oregonians about the benefits of health coverage, how to enroll through the Marketplace, coverage options, tax credits, and subsidies, and
- b. Drive enrollment in the Marketplace.

DCBS's 2016 open enrollment outreach campaign will be very targeted. The federal government plans to make a national cable buy that will provide mass messaging, and DCBS will supplement those efforts with targeted outreach to specific audience segments within Oregon, focusing on those eligible for qualified health plans and subsidies. Awareness in Oregon is high, so the campaign will be straight forward and focus on providing actionable information and facts to empower Oregonians to obtain coverage that best fits their needs.

Due to resource limitations, the campaign will use cost-effective and measurable tactics like grass roots outreach, promotional partnerships with businesses and other organizations, and digital paid media, instead of higher cost/harder to measure tactics like television ads. The effectiveness of all campaign elements will be measured and reviewed to allow DCBS to make adjustments both during the campaign and afterward for future campaigns.

The specific goals of the 2016 open enrollment outreach campaign are:

- 1) Maintain the percentage of qualified health plan, subsidy-eligible people who enrolled in insurance through the Marketplace.
  - a. Potential Key Performance Indicators (KPIs) include:
    - i. Are we reaching our audience?
    - ii. Are we providing a way for multicultural communities and non English speaking communities to get information and find assistance/support?
    - iii. Are we driving people to HealthCare.gov?
    - iv. Are we driving enrollment and re-enrollment?
    - v. Are we getting people to inquire and ask for help?
  - b. Potential measurement instruments include:
    - i. Paid and earned media analytics
    - ii. Oregon Insurance Division data calls
    - iii. Analytics from call center, inquiries, website, community partners, and agents
    - iv. Post-campaign consumer survey
- 2) Define the percentage of people who actively reenrolled (vs. passive enrollees) via the Marketplace at the end of the campaign.
  - a. Potential KPIs include:
    - i. Are we reaching our audience?
    - ii. What are enrollment numbers year over year?
  - b. Potential measurement instruments include:
    - i. Paid and earned media analytics
    - ii. Survey
    - iii. Year over year data

- 3) Build a trusted, credible reputation among current and potential customers of the Marketplace and overall positive reputation among key stakeholders.
  - a. Potential KPIs include:
    - i. Are current/potential customers aware that there are resources available to them?
    - ii. Do they use Healthcare.gov?
    - iii. Do enrollees know that there is localized help?
    - iv. How well did our key messages pull through in our communication, partner communication and media coverage?
  - b. Potential measurement instruments include:
    - i. Survey
    - ii. Community partner/agent/statewide partner feedback

## **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. The Marketplace at DCBS will continue 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.