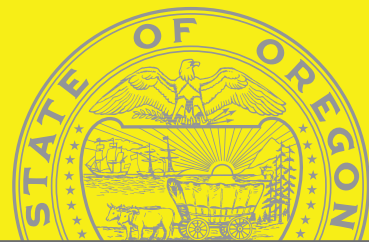


2019 Annual Report

APRIL 15, 2020

Oregon Health Insurance Marketplace
Department of Consumer and Business Services
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**OREGON HEALTH INSURANCE
MARKETPLACE**

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Introduction

About our division

The Oregon Health Insurance Marketplace helps people get coverage when they do not qualify for the Oregon Health Plan and do not get health insurance from their employer or another program. The Marketplace is a division of the Oregon Department of Consumer and Business Services.

Through a relationship with the federal government, the Marketplace makes it possible for Oregonians to obtain federal subsidies to buy Oregon insurance plans. In 2019, more than 145,000 Oregonians used the Marketplace to get such coverage. They signed up on the federal website, [HealthCare.gov](https://www.healthcare.gov).

This annual report is required under Oregon Revised Statute 741.222, and circulates to the Legislative Assembly, Gov. Kate Brown, the Oregon Health Authority (OHA), and the Oregon Health Policy Board. At the Marketplace, we also consider this report part of an ongoing conversation with our partners in government, spotlighting the work we do, the leaders we collaborate with, the people we serve, and the challenges still ahead.

About our audience

The population we serve is small; picking out and buying your own insurance is one of the least common ways for a person to get covered in the U.S. and Oregon. At the

same time, understanding the needs of the Marketplace audience is crucial for everyone who cares about health care and economic stability for Oregonians.

People not offered health insurance from their employer, workers eager to become entrepreneurs, and all those who make too much money to qualify for free coverage directly confront all of the health care challenges policymakers hope to solve across various initiatives.

Current and potential Marketplace customers come face to face with the administrative complexity of finding and enrolling in coverage; the cost burden of coverage; the practical challenges of accessing care; and the hard decisions necessary when, as is typical of private coverage, deductibles and co-payments still seem high to people using their coverage.

About this report

In this report, you will read how the Marketplace serves this audience and works to connect them with coverage. We welcome a continued discussion about those approaches. Through an ongoing conversation about what your constituents need and what the Marketplace has learned and accomplished in 2019 and earlier, our state can continue to build and sustain a health coverage system that best serves Oregonians.

Executive summary: The Marketplace in 2019

145,264

Oregonians enrolled in coverage during the 2019 open enrollment period for 2020 Marketplace plans

104,099

people got federal subsidies to help pay for coverage

789

enrolled in the COFA Premium Assistance Program

\$137

per month was the average bottom-line (after subsidy) premium for people who got subsidies

8

community-based organizations engaged as community partners

32

insurance agents engaged as partner agents

1,122

people trained to assist Oregonians with coverage

IN EVERY OREGON COUNTY:

2-5

between two and five Oregon insurance companies offered plans through the Marketplace

7-43

between seven and 43 plans were on the Marketplace from which to choose

The Marketplace's activities and operations

The Oregon Health Insurance Marketplace works to connect people to coverage and the subsidies that make coverage more affordable. The Marketplace is unusual because it does not directly operate the subsidy program. The state does not set the eligibility criteria, process the applications, manage the enrollments, or provide the application website or application call center platform for people to enroll. That happens at the federal website, HealthCare.gov

HERE AT THE STATE LEVEL, THE MARKETPLACE:

- **Oversees the plans sold** to Oregonians at HealthCare.gov; that work is done in partnership with the Oregon insurance commissioner's office, the Division of Financial Regulation (DFR).
- **Awards grants** to qualified insurance agents and community-based organizations who give step-by-step enrollment assistance to people needing coverage.
- **Trains community-based organizations** for the task of assisting Oregonians with their applications.
- **Goes out into the community** in every corner of the state – holding or attending public events, community meetings, or consultations with local leaders – to build awareness of the subsidy program and coverage options.
- **Launches an advertising campaign** during the annual open enrollment period.
- Operates a state-level, wrap-around subsidy program for eligible Oregonians who live in the U.S. under an international treaty with the Marshall Islands, Palau, and the Federated States of Micronesia. These are known as COFA islands, and the program is Oregon's **COFA Premium Assistance Program**.

Plan management

Overseeing the plans sold to Oregonians at HealthCare.gov is known as plan management. Unlike most states that also use HealthCare.gov as the application and enrollment site, Oregon retains this function entirely at the state level. Through close communication with insurance companies and collaboration with DFR, **the Marketplace meets four main plan-management goals:**

- Ensures comprehensive plans (also known as qualified health plans) are available through HealthCare.gov in every area of Oregon. This is important because federal subsidies can be used only on qualified health plans.
- Persuades two or more insurance companies to offer plans in every area of the state.
- Requires that insurance companies participating on the Marketplace offer at least three plans for people to choose among.
- Where possible given federal constraints, and in collaboration with DFR, which retains the statutory authority to define the benefits in the plans, sets up plans' co-pays, deductibles, and other "cost-sharing" elements to be as consumer friendly as possible.

Oregon's authority to choose and define plans is limited under federal law, but the state uses its plan management role to the fullest extent possible. In 2019, the highlight of this work was Oregon's revision of the Standard Bronze plan available through the Marketplace.

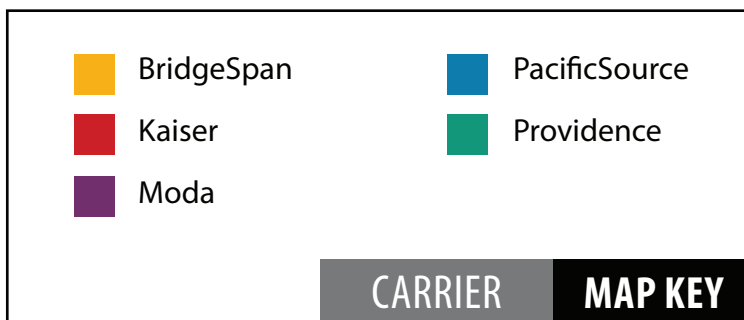
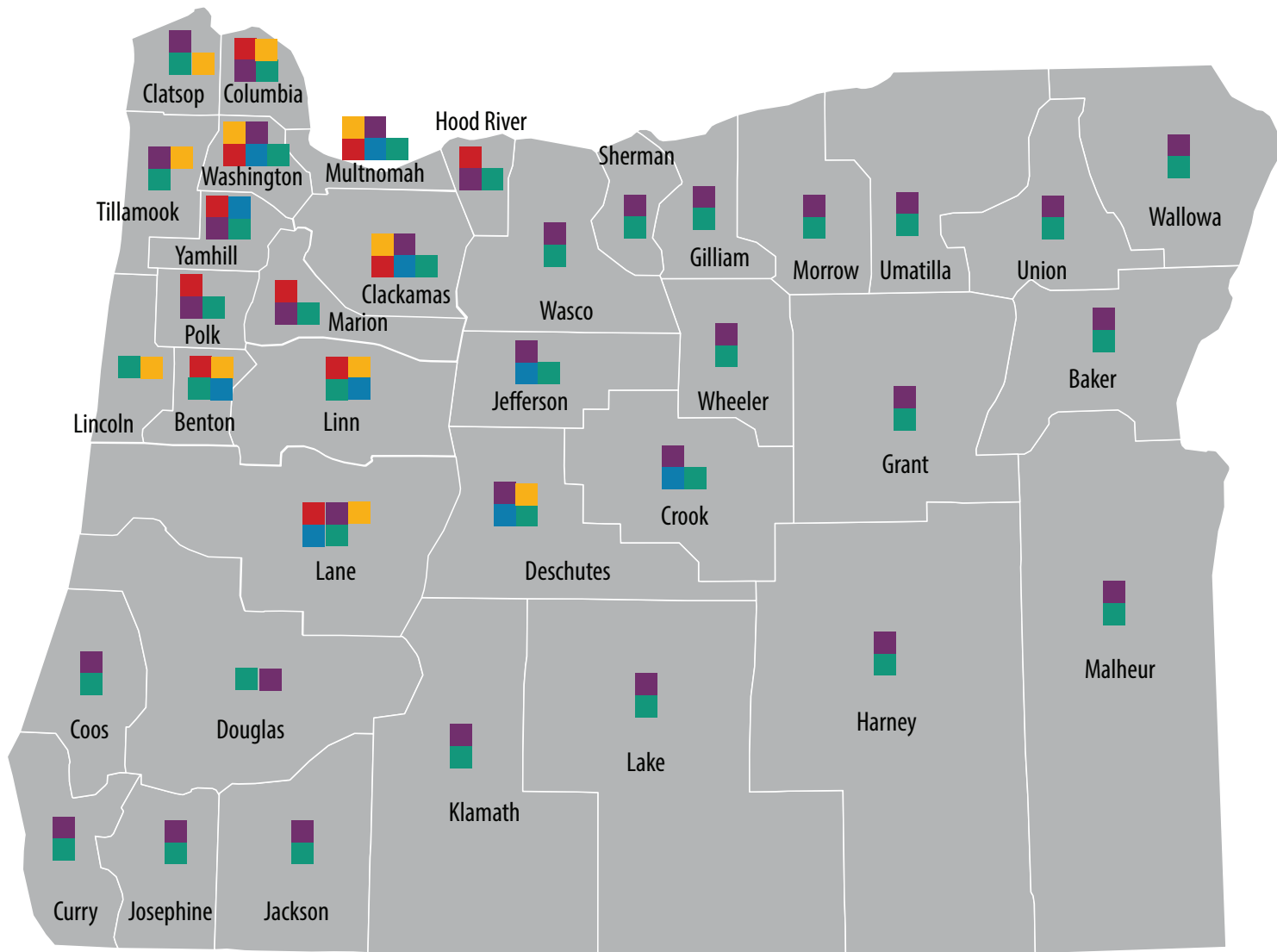
All bronze plans are generally the lowest-premium options, and Standard plans are available everywhere in the state. Using its authority to define the benefits in the Standard plans, the Marketplace and DFR required all Standard Bronze plans to allow patients to pay only a co-payment to see a primary care or specialty care provider for an office visit, even if the plan's \$7,900 deductible (\$15,800 for a family) has not been met.

| Common Medical Event | Services You May Need | What You Will Pay | |
|--|--|---|--|
| | | In-network (You will pay the least) | Out-of-network (You will pay the most) |
| If you visit a health care provider's office or clinic | Primary care visit to treat an injury or illness | \$45 <u>co-pay/visit</u> , <u>deductible</u> does not apply | <u>Deductible</u> then 50% <u>co-insurance</u> |
| | <u>Specialist</u> visit | \$90 <u>co-pay/visit</u> , <u>deductible</u> does not apply | <u>Deductible</u> then 50% <u>co-insurance</u> |
| | <u>Preventive care/screening/immunization</u> | No charge, <u>deductible</u> does not apply | <u>Deductible</u> then 50% <u>co-insurance</u> . Tobacco cessation: Not covered |

Not all Standard Bronze plans include the out-of-network benefits shown.

The Standard Bronze plans are among a variety of plans certified by Oregon to be sold on the Marketplace. Plans are available on the Marketplace in every Oregon county, from at least two insurance companies, and with between seven and 43 plans from which to choose.

OREGON PRIVATE PLANS AVAILABLE ON HEALTHCARE.GOV



Grant programs for agents and community-based groups

These programs directly fund community groups and community-conscious insurance agents that are expert in the HealthCare.gov subsidy application and can help people choose the plan best for them and their budgets.

Only licensed insurance agents can give plan advice.

The grantees also conduct outreach activities to publicize health insurance options. The community-based groups specialize in reaching underserved populations and limited-English-proficiency Oregonians.

In 2019, and continuing through much of 2020, more than 40 groups and insurance agents did this work under Marketplace grants.

COMMUNITY PARTNERS

The nonprofit groups – called community partners – received a cumulative total of \$480,022 in grants

| Community Partners | Location |
|---------------------------------|-----------------|
| APANO Communities United Fund | Portland |
| Benton County Health Services | Corvallis |
| Cascade AIDS Project | Portland |
| Interface Network | Salem |
| IRCO | Portland |
| Latino Community Association | Bend |
| Northeast Oregon Network (NEON) | La Grande |
| Project Access NOW | Portland |
| Rinehart Clinic | Wheeler |

AGENTS

Insurance agents – called partner agents – were granted a cumulative total of \$333,500

| Agents | Location |
|----------------------------------|---|
| Aaron Burns Insurance | Eugene |
| Abel Insurance | Newport, Florence, Coos Bay, Gold Beach |
| Bancorp Insurance | La Pine |
| Boone Insurance Associates | Eugene |
| Cascade Insurance Center | Bend |
| Chehalem Insurance | Newberg |
| Country Insurance | Sisters |
| FG Insurance | Portland, Forest Grove |
| Gordon Wood Insurance | Roseburg |
| Grace Insurance | Portland |
| Hagan Hamilton | McMinnville, Newberg, Junction City, Sheridan |
| HE Cross Company | Portland |
| Health Insurance Place | Grants Pass |
| Health Plans in Oregon | Portland, Beaverton |
| Healthwise Insurance | Portland, Beaverton |
| Healthy, Wealthy & Wise | Tualatin, Tigard |
| High Desert Insurance | Bend |
| Hillock Insurance Agency | Enterprise |
| Hudson Insurance | Tillamook |
| iCover Oregon | Albany |
| Insurance Lounge | Medford, Grants Pass, Portland |
| Insurance Marketplace | Medford |
| Klamath Financial Group | Klamath Falls |
| Linda Dugan Insurance | Astoria |
| Matthew Woodbridge | Salem, Woodburn |
| Pacific View Financial | Salem |
| Pfaff-Karren Insurance | Independence, Monmouth |
| Premier NW Insurance | Oregon City, Salem, Sandy |
| RJS & Associates | Philomath, Corvallis |
| Strategic Planning and Insurance | Hood River, The Dalles |
| Tomlin Benefit Planning | Eugene |
| Valley Insurance | LaGrande |

BY REGION: COMMUNITY PARTNERS AND AGENTS

| Community Partners and Agents | Location |
|--------------------------------------|---|
| North Coast | |
| Chehalem Insurance | Newberg |
| Hagan Hamilton | McMinnville, Newberg, Junction City, Sheridan |
| Hudson Insurance | Tillamook |
| Linda Dugan Insurance | Astoria |
| Rinehart Clinic | Wheeler |
| Abel Insurance | Newport, Florence, Coos Bay, Gold Beach |
| Willamette Valley | |
| Aaron Burns Insurance | Eugene |
| Benton County Health Services | Corvallis |
| Boone Insurance Associates | Eugene |
| Tomlin Benefit Planning | Eugene |
| iCover Oregon | Albany |
| Pacific View Financial | Salem |
| Interface Network | Salem |
| Matthew Woodbridge | Salem, Woodburn |
| Pfaff-Karren Insurance | Independence, Monmouth |
| RJS & Associates | Philomath, Corvallis |
| Hagan Hamilton | McMinnville, Newberg, Junction City, Sheridan |
| Premier NW Insurance | Oregon City, Salem, Sandy |
| Abel Insurance | Newport, Florence, Coos Bay, Gold Beach |
| Portland Metro | |
| APANO Communities United Fund | Portland |
| Cascade AIDS Project | Portland |
| FG Insurance | Portland, Forest Grove |
| Grace Insurance | Portland |
| HE Cross Company | Portland |
| Health Plans in Oregon | Portland, Beaverton |
| Healthwise Insurance | Portland, Beaverton |
| Healthy, Wealthy & Wise | Tualatin, Tigard |
| Project Access NOW | Portland |
| Premier NW Insurance | Oregon City, Salem, Sandy |
| Interface Network | Salem |
| IRCO | Portland |
| Insurance Lounge | Medford, Grants Pass, Portland |

CONTINUED...

| Community Partners and Agents | Location |
|--------------------------------------|---|
| Central Oregon | |
| Bancorp Insurance | La Pine |
| Cascade Insurance Center | Bend |
| Country Insurance | Sisters |
| High Desert Insurance | Bend |
| Latino Community Association | Bend |
| Strategic Planning and Insurance | Hood River, The Dalles |
| Eastern Oregon | |
| Valley Insurance | LaGrande |
| Hillock Insurance Agency | Enterprise |
| Northeast Oregon Network (NEON) | La Grande |
| Southwest Oregon | |
| Abel Insurance | Newport, Florence, Coos Bay, Gold Beach |
| Gordon Wood Insurance | Roseburg |
| Health Insurance Place | Grants Pass |
| Insurance Marketplace | Medford |
| Klamath Financial Group | Klamath Falls |
| Insurance Lounge | Medford, Grants Pass, Portland |

Direct outreach and customer service

The Marketplace performs outreach directly in the community and publicizes Marketplace services at community events, holds in-person information sessions about coverage, and answers phone calls from consumers.

Most outreach team members serve a specific region of the state, frequently traveling to their “territory.” One outreach team member who is fluent in Spanish serves the entire state in partnership with each regional outreach staffer, providing bilingual, culturally appropriate outreach. The outreach team also is supported by a Marketplace tribal liaison, who collaborates directly with Oregon’s tribes and who advises the outreach team on assisting Native Americans and Alaska Natives in the course of their statewide outreach.

The team members also are regular presenters at informational sessions held by WorkSource Oregon and the Oregon Employment Department (OED). The sessions, known as Rapid Response or Trade Act sessions, help laid-off employees and closing businesses navigate a time of difficult transition. Marketplace outreach teammates have become trusted and reliable collaborators

with WorksSource and OED, presenting on health insurance options for businesses and laid-off workers and their families. Part of the team's work includes attending OHA-sponsored regional collaborative meetings where OHA-sponsored assisters, other community groups, and Marketplace staff members share enrollment information, spread best practices, and jointly solve problems involving enrollment or outreach.



Training and education

The outreach and customer service staff members also deliver a comprehensive training to the community-partner grantees and to Oregon Health Authority enrollment assisters. (Insurance agent partners and grantees are invite to attend, but complete a separate federal training and separate state licensure requirements.) Marketplace staff members hold in-person and online trainings in English and Spanish throughout the state.

The training equips hundreds of front-line workers at community organizations and local governments with the ability to navigate a complex health coverage system for Oregonians, and the skills to help people apply for federal subsidies and enrolling in coverage.

Core topics conveyed in the training include:

COVERAGE OPTIONS

- Consumer protections and coverage opportunities in the Affordable Care Act
- Oregon Health Plan coverage and eligibility
- Medicare and Medicaid subsidy programs
- Marketplace functions, coverage options, and eligibility

MARKETPLACE SPECIFICS

- Marketplace interaction with the federal platform, HealthCare.gov
- Specific and unique enrollment and subsidy rules for tribal members
- Coverage details of private plans available through the Marketplace
- Subsidy types and eligibility rules through the Marketplace
- Times of year when anyone can get coverage through the Marketplace

ADVANCED MARKETPLACE TOPICS

- Situations when people can enroll through the Marketplace and apply for a subsidy even when enrollment is closed for the broader population
- Interaction between immigration rules and enrollment or subsidy eligibility
- Assisting people in special situations, including survivors of domestic violence, people with seasonal income, and refugees

Advertising campaign

The federal government's efforts to advertise open enrollment, subsidies, and coverage options have dwindled in recent years. Unlike most states that use HealthCare.gov for enrollment and subsidies, Oregon operates its own advertising campaign instead.

This is challenging in a noisy media environment, directed at a population – subsidy-eligible Oregonians – who have tight family budgets, and highlighting a product – health insurance – in which costs and subsidies vary widely, and the purchasing decision yields value only in the future when an illness or injury happens.

To do this well, the Marketplace relies on research to structure the advertising campaign. In 2019, this meant conducting focus groups and building ads that addressed the needs identified in those focus groups and supported by related data.



The campaign sought to address key themes that emerged from consumers consulted. Consumers reported:

- They are concerned about deductibles and access to care
- They are frustrated with complexity of coverage
- Cost is a barrier to coverage



In response, the Marketplace simplified some key aspects of coverage (like what subsidized premiums can come out to) in new ads that ran on TV, radio, and online.

Public response was encouraging. An Oregonian emailed the Marketplace to say:

“I appreciate the ad you’re running on Hulu. It’s just a guy on a plain background sharing information, but it’s super engaging. The script is simple without being condescending. The examples are easy to follow. The actor has exactly the right tone and is so charismatic I want to keep listening to him.”

These ads ran alongside others that contained less technical information and instead connected with the audience on a personal level. These included testimonials from Oregonians who used the Marketplace to get coverage that works for them and their budgets.

THE ENTIRE AD CAMPAIGN COMPRISED THE FOLLOWING TACTICS:



Video ads on TV, streaming video, and social media



Print ads in community newspapers in Spanish, Russian, and English



Audio ads on Spanish-, Russian-, and English-language stations



Outdoor advertising in English



Digital ads on websites and search engines

COFA program

The Marketplace operates the COFA Premium Assistance Program. The program serves low-income citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau who live in Oregon. Under the Compact of Free Association, these citizens are permitted to reside in the United States, but COFA adults are not eligible for full Medicaid (the Oregon Health Plan) under federal law. Oregon's COFA Premium Assistance Program pays the enrollees' share of premiums for medical insurance purchased through HealthCare.gov. The program also reimburses enrollees' spending on in-network services that count toward maximum out-of-pocket costs under the plan. The Marketplace's COFA program team oversees outreach and education to the COFA community and processes program applications and reimbursement claims.



Compact of Free Association (COFA)
Premium Assistance Program
OregonHealthcare.gov/COFA

IN 2019, FOR THE 2020 PLAN YEAR:

767

COFA program applications were received

695

COFA program applications were approved for Jan. 1 coverage

SINCE THE MARKETPLACE'S COFA PROGRAM BEGAN WITH 2017 COVERAGE, PARTICIPATION HAS GROWN:

2017:

416

people enrolled

2018:

639

people enrolled

2019:

789

people enrolled

During the 2019 plan year and calendar year:

- Program participants drew down \$3,890,317.95 in federal subsidies to help pay for their 2019 coverage.
- Program participants who needed care in 2019 and submitted their out-of-pocket costs to the COFA program got \$4,238.79 in reimbursement from the program. Participants have until June 30, 2020, to seek reimbursement for 2019 care.

The human impact of the program has been remarkable, as well. Program staff members report that, in one case, a COFA citizen who became blind before moving to Oregon enrolled in the COFA Premium Assistance Program and obtained health coverage. She was referred to Oregon Health and Science University, where doctors found she had a virus in her eyes and prescribed her antibiotic drops. She has since experienced an improvement in her vision.

Who is enrolled?

Combined Marketplace efforts resulted in 145,264 Oregonians signing up for 2020 coverage by the end of open enrollment in December 2019. This was about a 2 percent drop over the previous year.

Enrollment details

- New consumers: 32,744. Down almost 9 percent compared to 2019 plan year.
- Enrolling in a plan and getting a subsidy: 104,099. Down almost 6 percent.
- Enrolling in a plan and having an income less than 250 percent of the poverty level*: 70,545, down about 5 percent.
- Average bottom-line premium (after subsidy) for people getting a subsidy: \$137.
- Average *subsidy* for people getting a subsidy: \$456. Up \$1.
- Consumers between ages 18 and 34: 34,092. Down almost 5 percent.
- Number of Bronze plans (usually least expensive, highest deductibles) selected: 62,350. Up about 7 percent.
- Number of Silver plans (middle price, middle deductibles in most situations): 63,826. Down almost 14 percent.
- Number of Gold plans (usually most expensive, lowest deductibles): 18,332. Up almost 20 percent.

* \$31,225 for one person or \$64,375 for a household of four.

Although overall enrollment remains strong, opportunities remain to increase the number of Oregonians who can benefit from the subsidies available only through the Marketplace.

An analysis of income data from the U.S. Census Bureau, compared with actual enrollment figures, shows that more than 83,000 uninsured Oregonians may be eligible for subsidized coverage through the Marketplace, but have not enrolled. This includes about 20,000 people with incomes less than 250 percent of the federal poverty level, about 50,000 people ages 19 to 34, and about 75,600 men.

Regionally, substantial numbers of uninsured people may still be eligible for Marketplace coverage and subsidies.

- Multnomah County: 22,512 subsidy eligible and uninsured
- Washington: 14,030
- Marion: 11,830
- Lane: 16,477
- Deschutes: 4,903
- Jackson County: 10,828

Conclusion

Without a doubt, the task of connecting Oregonians to affordable coverage is challenging, but it is work the Marketplace is doing with both seriousness and eagerness.

We invite ongoing discussion and collaboration with lawmakers, other partners in government, and the public about Marketplace operations. Contact Chiqui Flowers, Marketplace administrator, at chiqui.l.flowers@oregon.gov, to get or stay more involved.

You can also join us for periodic Marketplace Advisory Committee meetings. Find them listed at: bit.ly/Marketplace-cmte.

Appendix: Financial statements

A statement of financial condition, as of Dec. 31, 2019, for the Health Insurance Exchange Fund.

This section discusses the financial condition of the Health Insurance Exchange Fund as of Dec. 31, 2019. Budget or fiscal activities after that date are not reported here. All amounts discussed below exclude the Compact of Free Association Premium Support Program and the Senior Health Insurance Benefit Assistance Program because those programs are not funded by the Health Insurance Exchange Fund.

The Marketplace is financially stable and self-sufficient for the remaining 18 months of the 2019-21 biennium. As of Dec. 31, 2019, the Marketplace can fund approximately 10 months of activities with an available fund balance of \$4.8 million.

Marketplace limitation use

The 2019-21 biennium budget for the Oregon Health Insurance Marketplace is shown here:

2019-21 LEGISLATIVELY ADOPTED MARKETPLACE BUDGET

| Section | 2019-21 LAB | Positions | FTE |
|-----------------|-------------------|-----------|--------------|
| Marketplace | 14,453,043 | 17 | 17.00 |
| Shared Services | 1,712,022 | | |
| Total | 16,165,065 | 17 | 17.00 |

Through the end of the biennium, the Marketplace is expected to use about 91 percent of its budget limitation.

Through December 2019, the Marketplace has not recorded any use of its shared service limitation. The Marketplace assumes that it will use its entire shared service budget over the remaining 18 months of the biennium.

OREGON HEALTH INSURANCE EXCHANGE 2019-21 LAB AND ACTUALS

| Section | 2019-21 LAB | Actual Expenditures as of 12/31/2019 | Projection 1/2020 - 6/2021 | Actual and Projected | Variance Over/ (Under) | % Variance (Actuals + Projected) / LAB |
|-----------------|-------------|--------------------------------------|----------------------------|----------------------|------------------------|--|
| Marketplace | 14,453,043 | 4,355,042 | 8,848,021 | 13,203,063 | (1,249,980) | 91% |
| Shared Services | 1,712,022 | 0 | 1,712,022 | 1,712,022 | 0 | 100% |

The following table shows revenues for the Health Insurance Marketplace during CY 2019.

OREGON HEALTH INSURANCE EXCHANGE CY 2019 BALANCES AND REVENUES

| Account Description | 2019Q1 | 2019Q2 | 2019Q3 | 2019Q4 | Year Total |
|----------------------------|------------------|------------------|------------------|------------------|-------------------|
| Beginning Balance | 6,560,154 | 7,194,665 | 8,616,853 | 9,526,155 | |
| PMPM Assessment - Medical | 2,496,499 | 2,290,051 | 2,223,965 | 2,296,477 | 9,306,992 |
| PMPM Assessment - Dental | 37,780 | 36,055 | 34,544 | 42,393 | 150,772 |
| Interest and Investments | 34,531 | 74,310 | 64,311 | 57,149 | 230,301 |
| Other Revenue | -2,712 | 1,469 | 0 | 185 | -1,058 |
| Total | 2,566,098 | 2,401,885 | 2,322,820 | 2,396,204 | 9,687,007 |

The following table shows CY 2019 Health Insurance Marketplace expenditures. These expenditures occurred in the 2017-19 biennium and in the 2019-21 biennium.

OREGON HEALTH INSURANCE EXCHANGE CY 2019 EXPENDITURES AND TRANSFERS

| Account Description | 2019Q1 | 2019Q2 | 2019Q3 | 2019Q4 | Year Total |
|--|------------------|------------------|------------------|------------------|-------------------|
| Personal Services | 541,168 | 651,381 | 638,493 | 667,903 | 2,498,945 |
| Services and Supplies | | | | | |
| Travel | 16,313 | 19,144 | 26,525 | 22,869 | 84,851 |
| Employee Training | 6,963 | 17,008 | 2,767 | 510 | 27,248 |
| Office Expenses | -1,115 | 14,331 | 13,877 | 16,710 | 43,803 |
| Telecommunications | 27,177 | 26,522 | 22,425 | 14,055 | 90,179 |
| State Government Service Charges | 1,762 | 1,703 | 8,116 | 1,159 | 12,740 |
| Data Processing | 10,258 | 11,457 | 13,675 | 11,469 | 46,859 |
| Publicity and Publications | 385,505 | 144,382 | 212,522 | 1,759,080 | 2,501,489 |
| Professional Services | 19,382 | 31,348 | 46,646 | 5,506 | 102,882 |
| IT Professional Services | 0 | 13,950 | 67,600 | 0 | 81,550 |
| Attorney General Legal Fees | 1,326 | 2,936 | 4,413 | 835 | 9,510 |
| Facility Rent and Taxes | 6,275 | 12,550 | 13,105 | 7,543 | 39,473 |
| Other Services and Supplies | 29,943 | 39,121 | 10,790 | 181,428 | 261,282 |
| Services and Supplies Total | 503,789 | 334,452 | 442,461 | 2,021,164 | 3,301,866 |
| Distribution to Grantees | 309,555 | 113,571 | 167,748 | 240,261 | 831,135 |
| Capital Outlay | 519 | 1,397 | 0 | 0 | 1,916 |
| Total Expenditures | 1,355,031 | 1,100,801 | 1,248,702 | 2,929,328 | 6,633,862 |
| Shared Services | 576,558 | -121,099 | 164,810 | 2,957 | 6,633,862 |
| Total Expenditures with Shared Services | 1,931,589 | 979,702 | 1,413,512 | 2,932,285 | 7,257,088 |
| Ending Fund Balance | 7,194,663 | 8,616,848 | 9,526,161 | 8,990,074 | |

The 2019Q4 growth in publicity and publications over 2019Q3 is a typical expenditure pattern for the Marketplace. It reflects Marketplace outreach efforts at the beginning of open enrollment.

Fund sustainability

Marketplace Per Member Per Month (PMPM) assessment: Oregon’s Marketplace is primarily funded through a per member per month fee. These fees apply only to plans purchased through the federal exchange. In 2019, the fee for medical plans was \$5.50 per member per month and \$0.36 per member per month for dental plans. Assessments for the 2020 plan year are the same: \$5.50 for medical plans and \$0.36 for stand-alone dental plans.

Federal technology fee: The federal technology charge to insurers was 3.0 percent of the average premium for plan year 2019. Oregon Revised Statute 741.105(2)(a) limits the Marketplace’s assessment to no more than 5 percent of premium. The Marketplace’s position is that the Marketplace’s per member per month fee plus the federal platform charge should be below 5 percent of premium. The total PMPM plus federal technology fee was 4.0 percent of premium in 2019. The Marketplace expects it to be 3.4 percent for plan year 2020.

Enrollments: Medical enrollment for the 2019 plan year was 5.4 percent lower than forecast. The Marketplace expected, on average, about 132,500 medical policies each month. There were actually about 125,300 medical policies each month. Dental enrollment for the 2019 plan year was 9.5 percent higher than forecast. The Marketplace expected 20,300 monthly dental policies on average. There were actually 22,200 dental policies on average each month during the plan year. The forecast numbers are from April 2019 and represent the data the Marketplace based their 2019 assessment rate decision on. Please note that actual enrollment counts may be updated by insurers until June 2020.

OREGON HEALTH INSURANCE EXCHANGE CY 2019 ENROLLMENT

| Forecast enrollment | | | Actual enrollment | | Absolute forecast error | |
|---------------------|----------------|---------------|-------------------|---------------|-------------------------|--------------|
| Month | Medical | Dental | Medical | Dental | Medical | Dental |
| Jan-19 | 140,899 | 23,339 | 135,123 | 24,548 | 5,776 | 1,209 |
| Feb-19 | 140,298 | 22,682 | 133,188 | 24,164 | 7,110 | 1,482 |
| Mar-19 | 138,996 | 22,025 | 131,143 | 23,490 | 7,853 | 1,465 |
| Apr-19 | 137,417 | 21,499 | 129,225 | 23,275 | 8,192 | 1,776 |
| May-19 | 135,597 | 20,986 | 126,996 | 22,452 | 8,601 | 1,466 |
| Jun-19 | 133,801 | 20,485 | 125,251 | 22,266 | 8,550 | 1,781 |
| Jul-19 | 132,029 | 19,995 | 123,567 | 21,951 | 8,462 | 1,956 |
| Aug-19 | 130,280 | 19,518 | 122,280 | 21,951 | 8,000 | 1,716 |
| Sep-19 | 128,554 | 19,052 | 121,195 | 21,496 | 7,359 | 2,444 |
| Oct-19 | 126,851 | 18,597 | 119,810 | 20,577 | 7,041 | 1,980 |
| Nov-19 | 125,171 | 18,153 | 118,697 | 20,692 | 6,474 | 2,539 |
| Dec-19 | 120,033 | 16,883 | 117,058 | 20,179 | 2,975 | 3,296 |
| Average | 132,494 | 20,268 | 125,294 | 22,194 | 7,199 | 1,926 |

The 2019 forecast was based on federal law at the time of the forecast. There continues to be significant policy and legal uncertainty about the Affordable Care Act at the federal level.

Rebate

In compliance with ORS 741.105(b), the Oregon Health Insurance Marketplace is rebating \$4,163,015 over the 2020 plan year. The following table shows the rebate calculation:

ALLOWED BALANCE AND REBATE

| 2019-21 Budget | HB 5011 | HB 5050 | Total | |
|--------------------------------------|-------------------|---------------------|-------------------|------------------|
| Marketplace | 14,510,661 | -57,618 | 14,453,043 | |
| CSD-Marketplace | 1,717,187 | -5,165 | 1,712,022 | |
| Total | 16,227,848 | -52,783 | 16,165,065 | |
| | | | Limit | 4,041,266 |
| 6/30/2019 ending balance | | 8,616,853 | | |
| 2017-19 expenditures after 6/30/2019 | | 412,572 | | |
| Total rebate amount | | 4,163,014.75 | | |

Based on the above discussion, DCBS expects the Health Insurance Exchange Fund to remain stable and self-sustaining for the remainder of the 2019-21 biennium. At the end of the biennium, the Marketplace expects to have about 11 months of expenditures in the Marketplace Fund. Assuming a budget in 2021-23 biennium similar to 2019-21, the fund balance will exceed the statutory limit. Over the 2021-23 biennium, the Marketplace anticipates rebating insurer's assessments to bring the Marketplace's fund balance into compliance with ORS 741.105(3)(b).