



OREGON HEALTH INSURANCE MARKETPLACE TRANSITION REPORT

Report of the program transition from the Department of Consumer and
Business Services to the Oregon Health Authority

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Section 8 of [Senate Bill 65](#) (2021, bit.ly/3BM6E6J) requires this report to the Legislative Assembly on the progress of the transition of the Oregon Health Insurance Exchange, known as the Oregon Health Insurance Marketplace (Marketplace), from the Department of Consumer and Business Services (DCBS) to the Oregon Health Authority (OHA).

Timeline of transition

In accordance with section 1 of SB 65, the move of the Marketplace began July 1, 2021. However, there was an intentional delay of the functional move under after the annual Marketplace open enrollment period, which ended January 15, 2022. This was done to lessen the risk of having a service gap for Oregonians. To the extent possible and while minimizing risk, the Marketplace team worked collaboratively with both agencies to facilitate a smooth transition, divided into two stages.

- Phase 1 moved centrally held records, fiscal responsibility, human resources and payroll responsibility, policy and program oversight, and contracts management from DCBS to OHA, effective July 1, 2021.
- Phase 2, after significant planning and cooperation between agencies, transferred operations, facilities, and central services support (including phone and IT support services for staff) starting February 1, 2022. Most of the critical pieces of stage two were completed by March 31, 2022.

Interagency agreements were put in place to ensure that the Marketplace was billed appropriately for the contracts, information technology (IT), communication services, and facilities services provided by DCBS after the July 1, 2021, effective date of the bill. One agreement is still in place, as explained below.

Outstanding items are outlined in this report. OHA and the Marketplace request a housekeeping amendment to the SB 65 provisions to end the reporting requirement after 2022, as the transition is largely complete.

Phase 1

Employee services and human resources (i.e., transfer of employees): Personnel management was officially transitioned to OHA on July 1, 2021. Services and tasks include:

- Paid time off, including Family Medical Leave Act (FMLA) and Oregon Family Leave Act (OFLA)
- Recruitment and hiring
- Timesheet processing

Financial services: Financial reports and management of the Marketplace budget moved to OHA on July 1, 2021. To prevent disruption to grant programs and payments, OHA process implementation and processing moved officially on February 1, 2022. These services include:

- Invoice payment and processing
- Processing and payment of grant reimbursement requests
- Transfer of billing associated with any third-party services (telephone and cellphone billing, etc.)
- Payroll responsibilities for Marketplace staff

Rulemaking: Marketplace administrative rules are in Oregon Administrative Rules (OAR) chapter 945. There were no substantive changes required to transfer rule authority from DCBS to OHA.

- Minor corrections were used to update the names and titles related to the change from DCBS to OHA
- The process to transfer OAR rulemaking authority with the Oregon Secretary of State was completed in November of 2021.

Phase 2

Communication services: Communications duties were functionally transitioned to OHA on February 1, 2022, as part of the general Marketplace team. On the back end, distribution lists (GovDelivery) and website ownership have changed agencies, but general Marketplace communications duties have largely remained within the unit, including:

- Communications planning and project management
- Community partner, insurance agent, and other stakeholder communications
- Email newsletter distribution
- Public relations
- Social media management
- Website management

Facilities and operations services (i.e., transfer of property): Facilities transitioned February 1, 2022, along with the functional move to OHA. These services and tasks include:

- Allocation of OHA's Human Services Building (HSB) floor space and drop-in workspaces for staff, equipment, and materials
- Provisioning staff building access to HSB in Salem
- Transfer of Marketplace physical inventory from DCBS to OHA

Information, technology, and research (IT&R) services (i.e., transfer of records): DCBS IT&R functions have transferred to OHA as of March 31, 2022. Staff IT needs have largely been met in the proceeding months, which included email migration, software, hardware, mobile services, and electronic files and records.

- IT infrastructure, system and file access controls, and other security protocols of most state agencies are not designed to ordinarily integrate program staff from another agency. This resulted in complications with the transfer of email records and the acquisition of software tools; however, those were mostly resolved by March 31, 2022, excluding the iReg system as discussed below.
- IT support requests from that point forward were fulfilled through ordinary OHA central services processes, and the remaining IT issues and tasks have since been addressed.

Procurement: Procurement services (for contracts and contract-related support) migrated to OHA on February 1, 2022, so as not to disrupt the active grant cycle for open enrollment. All current contracts have been moved to OHA and amended to note the change in agency.

Health Insurance Exchange Advisory Committee: The Health Insurance Exchange Advisory Committee in practice is called the Health Insurance Marketplace Advisory Committee (HIMAC). SB 65 moved the HIMAC under the authority of the Oregon Health Policy Board (OHPB). The HIMAC moved under OHPB authority effective July 1, 2022.

- Onboarding of migrating and new appointees included entry into Workday (the primary human resources and training platform used by Oregon state government) under OHA to enable training distribution and future features, such as travel reimbursement.
- HIMAC members have attended OHPB board meetings, and are participating in subcommittees such as the Community Partner Workgroup resulting from House Bill 4035 (2021).

- The HIMAC has discussed its role in OHA's goal of eliminating health inequities by 2030 and is currently developing a charter and annual work plan to better align with that goal along with the other boards and commissions under the OHPB.

COFA Premium Assistance Program (COFA program)

Starting in 2016, the Marketplace developed and administered the COFA Premium Assistance Program until the program's sunset on December 31, 2021 (authorized by [House Bill 4076 in 2016, https://bit.ly/3pvkinf](#)). The program served 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 (COFA), these citizens are permitted to reside in the United States, but COFA adults were not eligible for full Medicaid (Oregon Health Plan) under federal law until December 2020. The COFA Premium Assistance Program connected these underserved Oregonians to Marketplace coverage and then to the Oregon Health Plan until it stopped accepting enrollees December 31, 2021. The COFA Program is sunsetting in 2022 after all outstanding reimbursement claims have been closed.

The COFA Program was transferred to OHA along with the Marketplace on an identical timeline. In all areas where transfers of central services are discussed in this report, those can be read to also apply to the COFA Program. This includes transfer of all related documents, scanned images, reimbursement payment records, and one dedicated full-time employee (FTE).

Still in transition

System for Marketplace assessment collection and Find Local Help database

The Marketplace is funded by an assessment on insurers participating in, and selling plans through, the Marketplace. In 2016, DCBS developed an in-house solution for the collection and recordkeeping of the assessment using the department's existing iReg application, which was already in use for a variety of tasks. Those tasks included the Division of Financial Regulation's collection of insurance assessments. Integrating Marketplace assessments collections was efficient and cost effective for DCBS.

In addition to assessments, iReg has been modified to house a database of community-based organizations and insurance agents who help consumers with Marketplace, Medicare, Oregon Health Plan, and coverage for small businesses. This database is frequently updated to ensure information found on the Marketplace Find Local Help web tool is updated frequently for consumers to find expert health coverage help near them.

OHA currently does not have the same mechanisms in place to replace iReg Marketplace functionality. An OHA-DCBS interagency agreement allows for the continued use of iReg and its related functions as a service that DCBS provides for the Marketplace. This support is billed back to OHA for the associated costs. The agreement is intended to be a temporary solution as the Marketplace finishes initial planning for a new system and processes for the collection of its funding assessment and the Find Local Help tool:

- The different Marketplace-specific iReg functions are not overly complex, and there is a relatively low amount of associated data and records in the system.
- Lower complexity and volume of data generally result in lower-cost solutions, and should make migration to a new system(s) achievable within the Marketplace's current other funds revenue.

- There are other possible solution options that may be proposed in the 2023 legislative session.
- OHA and the Marketplace are currently conducting solution requirements collection, and any additional required funds or increase in expenditure limitations would be requested through the legislative budget process.
- To that end, both OHA and DCBS have agreed on a maximum timeline of three years for research, design, procurement, development (as necessary), and implementation of an iReg replacement.
- DCBS will continue to provide OHA and the Marketplace with iReg system access and assessment collection as billed services, with expenses billed to OHA and paid from Marketplace funds, until the end of that period or until another solution is in place, whichever is first.

Open enrollment update

The open enrollment period for 2022 health coverage ran from November 1, 2021 to January 15, 2022. During this time, 146,602 people enrolled in health coverage, the most since open enrollment for the 2019 plan year. More than 78 percent of these enrollees are receiving financial assistance to help pay for their monthly premium. More than 28 percent are getting cost-sharing reductions.

Despite having a major move in process for seven months, the Marketplace team was able to conduct a hearty community partner training program, robust marketing and outreach efforts, and maintain positive relationships with insurance agents, insurance carriers, community partner organizations, and other community-based organizations.