

Oregon Health Insurance Marketplace Report – CY2024, Administrative Charges Health Insurance Marketplace Advisory Committee

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1

Overview

- Assessment Rate History
- Expenditures
- Medical Plan Enrollment
- Medical Plan Assessment Rates
- Revenue Estimates
- Summary
- Fund Balance

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2

Assessment Rate History

Assessment rates have been very consistent

Marketplace Assessment Rates				
	CY 2017 - CY 2019	CY 2020 - CY 2021	CY 2023	CY 2024
Medical PMPM	\$6.00	\$5.50	TBD	TBD
Dental PMPM	\$0.57	\$0.36	TBD	TBD

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3

Expenditures

**Marketplace Expenditures, Agency Request Budget
Continuing Service Level Expenditures**
FY 2018-2023 actuals and FY 2024-2025 forecast

	Marketplace expenditures	Shared services / SAEC	Total expenditures
FY 2018	\$4,678,992	\$945,702	\$5,624,634
FY 2019	\$5,924,885	\$684,233	\$6,609,118
FY 2020	\$6,489,562	\$667,378	\$7,156,940
FY 2021	\$4,714,893	\$664,103	\$5,378,996
FY 2022	\$5,113,191	\$353,518	\$5,466,709
FY 2023	\$8,405,200	\$550,094	\$8,955,294
FY 2024	\$8,558,813	\$701,823	\$9,260,636
FY 2025	\$8,815,578	\$722,877	\$9,538,455

FY 2023 contains two quarters of actual expenditures
SAEC - OHA Shared Assessment and Enterprise-wide Costs
Note: Assumes 3% increase in Expenditures per year for forecasted years

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4

Medical Plan Enrollment

Enrollment Model: Effectuated Medical Plan Enrollment, CY 2023 and CY 2024
Forecasted, based on February 2023 enrollment reports

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5

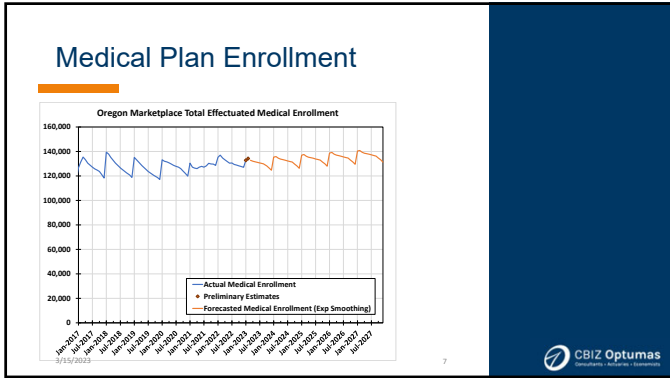
Preliminary Estimates for January

- January enrollment determines starting point for year
- Insurance companies have 18 months to revise data
- Some providers have more consistent numbers than others
- Preliminary Estimate is 132,823 for January 2023 and 134,222 for February 2023

January Enrollment for Different Insurer Submission Dates					
	January submission	February submission	March submission	December submission	Final
January-2018	123,637	141,769	141,059	140,172	139,415
January-2019	127,391	140,995	140,905	135,141	135,113
January-2020	111,606	141,491	133,181	133,292	132,238
January-2021	143,854	120,345	127,983	130,432	130,432
January-2022	125,770	125,981	140,438	135,352	
January-2023	116,828	116,509			

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6

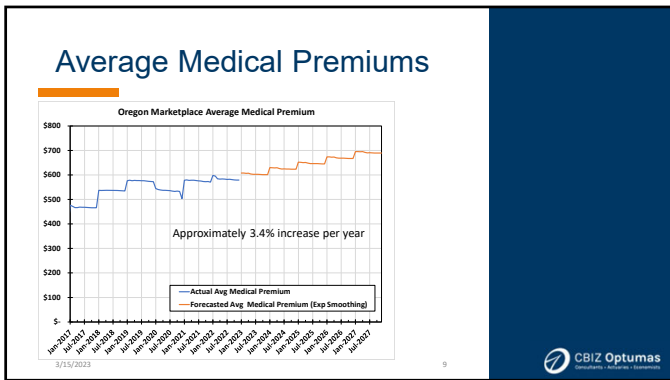


7

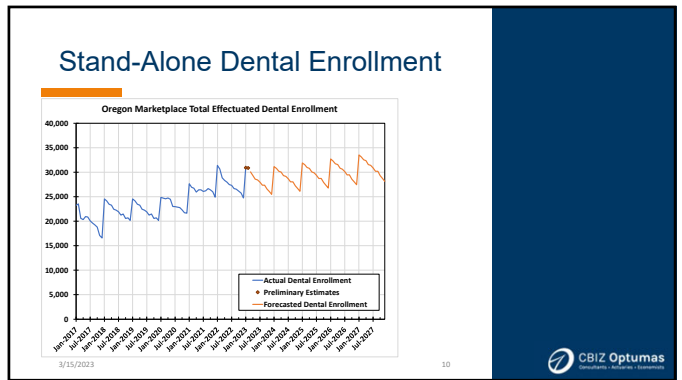
Impact of Medicaid Redeterminations

- Starts in April 2023 continues for 1 year
- New waiver will reduce the amount of churn from people falling off the Medicaid caseload
- Only a small number of people typically come to the Marketplace directly from Medicaid (3-4%)
- The Bridge Plan (Basic Health Plan), if approved, will provide coverage for people under 200% of FPL
- Children will have continuous eligibility
- Overall impact on Marketplace enrollment will be small

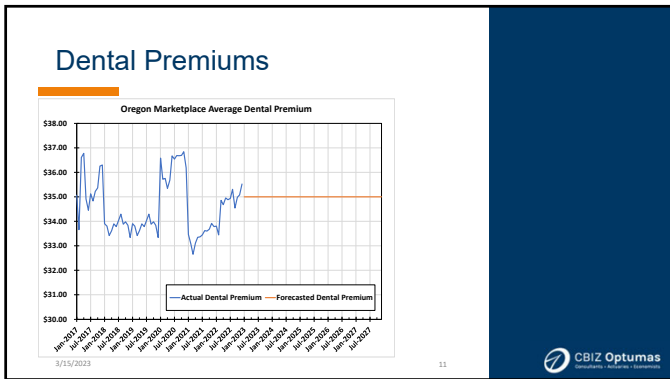
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9



10



11

Revenue Required from Medical Assessments

- Total Expenditures for CY 2024 \$9.4 Million
- \$124k Dental Assesment Revenue
- \$120k Investment Income
- Required Revenue from Medical Assessments \$9.15 Million

12

Sensitivity of Forecast Model

CY 2024 Revenue Assessment Rates						
Medical Enrollment Forecast	PMPM assessment rates					Equilibrium Rates
	\$6.00	\$5.75	\$5.50	\$5.25	\$5.00	
Forecast + 15,000	\$10.6	\$10.1	\$9.7	\$9.3	\$8.8	\$5.19
Forecast + 10,000	\$10.2	\$9.8	\$9.4	\$9.0	\$8.5	\$5.37
Forecast + 5,000	\$9.9	\$9.5	\$9.0	\$8.6	\$8.2	\$5.57
Forecast + 132,084	\$9.5	\$9.1	\$8.7	\$8.3	\$7.9	\$5.78
Forecast - 5,000	\$9.2	\$8.8	\$8.4	\$8.0	\$7.6	\$6.00
Forecast - 10,000	\$8.8	\$8.4	\$8.1	\$7.7	\$7.3	\$6.25
Forecast - 15,000	\$8.4	\$8.1	\$7.7	\$7.4	\$7.0	\$6.52

3/15/2023 13

13

Summary

Medical Plans Summary, with Assessment Rate Assumptions						
	2021	2022	2023	2024	2025	2026
Average assessment	\$7.75	\$8.25	\$8.80	\$9.30	\$9.80	\$10.30
% change	1.0%	6.4%	7.0%	5.8%	5.2%	5.1%
Total premiums (\$ millions)	\$888.0	\$962.8	\$1,040.0	\$1,120.0	\$1,200.0	\$1,280.0
Assessment rate	\$28.12	\$27.62	\$28.00	\$28.50	\$29.00	\$29.50
% change	-1.8%	-1.8%	1.4%	1.8%	1.7%	1.7%
Assessment rate	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Assessments (\$ millions)	\$8.4	\$8.1	\$8.0	\$8.2	\$8.5	\$8.8
Rate as % of avg premium	1.0%	1.0%	0.9%	0.8%	0.8%	0.8%
Federal tech. charges (\$ millions)	\$30.0	\$31.5	\$33.0	\$34.5	\$36.0	\$37.5
Rate as % of avg premium	3.9%	3.8%	3.8%	3.8%	3.7%	3.6%

3/15/2023 14

14

Statutory Cap on Marketplace Account Balance

- At the end of each Biennium the Marketplace's fund balance cannot exceed 1/4 of the next biennium's Marketplace Legislatively Approved Budget (LAB)
- If it does, then the balance must be rebated to the carriers on a pro-rated basis over the next calendar year
- Current forecasts show an anticipated \$1.9 million rebate for CY 2024 from FY 2021-2023

3/15/2023 15

15

Federal Exchange Technology Charges

- Federal Exchange technology charges are separate from the assessment and are paid directly to the federal government
- It is 2.25 percent in CY 2023 and assumed to be at 2 percent in 2024 and beyond
- The state assessment and the federal charge collectively can not exceed 5 percent. It is currently around 3.1%

3/15/2023 16

16

Fund Balance

Summary of Financial Outcomes, Current Assessment Rates			
	Total Expenditures	Total Revenue	Fund Balance
FY 2018	\$5,624,634	\$9,323,616	\$5,625,780
FY 2019	\$6,609,118	\$9,600,190	\$8,616,852
FY 2020	\$7,156,940	\$7,006,713	\$8,466,625
FY 2021	\$5,378,996	\$6,452,569	\$5,740,198
FY 2022	\$5,466,709	\$8,034,260	\$8,307,749
FY 2023	\$8,955,294	\$7,295,336	\$6,647,791
FY 2024	\$9,260,636	\$7,013,906	\$4,401,061
FY 2025	\$9,538,455	\$9,073,873	\$3,936,479

3/15/2023 17

17

Transfers and Credits

Marketplace Transfers and Credits		
Period	Reason	Amount
CY 2017Q4	Reinsurance Program funding	(\$1,320,065)
CY 2020	CY 2020 rebate credit to carriers for FY 2017-19	(\$4,163,015)
CY 2021Q2	Sweep to General Fund	(\$3,800,000)
CY 2022	CY 2022 rebate credit to carriers for FY 2019-21	(\$1,482,448)
CY 2024	Estimated CY 2024 rebate credit to carriers for FY 2021-23	(\$1,948,019)

3/15/2023 18

18