



LPRO: Legislative Policy and Research Office

OREGON HEALTH INSURANCE MARKETPLACE

BACKGROUND BRIEF

BACKGROUND

The *Patient Protection and Affordable Care Act of 2010 (ACA)* created health insurance marketplaces where consumers can buy Qualified Health Plans. States may operate their own health insurance marketplace, called a state-based marketplace, or have the federal government run their marketplace for them.

Oregon chose to operate its own marketplace. In 2011, Senate Bill 99 established, as a public corporation, the Oregon Health Insurance Exchange Corporation to operate Oregon's health insurance marketplace. However, the marketplace technology platform developed for Oregon by a private vendor did not function properly.

For plan year 2014, Oregon began using the federal government's platform, HealthCare.gov, to enroll Oregonians in Qualified Health Plans for individuals. The federal government refers to state-based marketplaces that use HealthCare.gov, such as Oregon, as "state-based exchanges on the federal platform" (SBE-FP). Although HealthCare.gov offers a technology for the Small Business Health Options Program

(SHOP), Oregon currently does not use it or any other technology platform for SHOP.

In 2015, the Department of Consumer and Business Services (DCBS) became responsible for Oregon's marketplace and continued using the SBE-FP model. Under this model, the federal government provides eligibility and enrollment technology and call center functions for Oregon. The state is responsible for all other marketplace functions, including oversight and management, outreach and education, the state's in-person assistance (navigator) program, stakeholder engagement, reporting and auditing and Oregon's SHOP.

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ANALYSIS OF MARKETPLACE TECHNOLOGY PLATFORM

For the past few years, the federal government has provided HealthCare.gov to Oregon at no cost. In November 2015, the U.S. Department of Health and Human Services (HHS) proposed, by rule, to begin charging SBE-FPs, a user fee of three percent of premiums for use of HealthCare.gov. In the final rule, released in February 2016, HHS stated it has sought a waiver from the Office of Management and Budget (OMB) to reduce the user fee from



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three percent to 1.5 percent of premiums for the 2017 benefit year. After the 2017 benefit year, the final federal rule states that the user fee for SBE-FPs will be three percent of premiums.

In December 2015, Oregon released a request for proposals (RFP) to collect information about fully functional and cost-effective technology solutions for both the individual and SHOP marketplaces. Four proposals were received by the deadline. One of those proposals did not meet the minimum requirements of the RFP and was eliminated from consideration. DCBS used the information submitted by the remaining three vendors to create an analysis. The analysis examines technology options only for the individual marketplace and does not include an analysis of SHOP technology options. The full May 2016 analysis, *Analysis of Marketplace Technology Platforms*, is located at: <http://healthcare.oregon.gov/Documents/marketplace-technology-analysis.pdf>

ADVISORY COMMITTEES

Basic Health Program (BHP) Stakeholder Advisory Group

Section 1331 of the ACA gives states the option to establish a Basic Health Program (BHP) to replace Qualified Health Plan coverage through the Marketplace for people in households below 200 percent of the federal poverty level (FPL). BHP, like Qualified Health Plan's, can cover people with incomes 138 percent to 200 percent of the FPL and lawfully present non-citizens with incomes zero percent to 138 percent of the FPL, who are ineligible for Medicaid due to immigration status. The BHP Stakeholder Advisory Group works in collaboration with DCBS to consider and report recommendations for a BHP to replace

Qualified Health Plan coverage through the Marketplace for people in households below 200 percent of FPL.

Health Insurance Marketplace Advisory Committee

The Oregon Health Insurance Marketplace Advisory Committee is a 13-member committee; members are appointed by the Governor and confirmed by the Senate. Membership includes insurers, insurance producers, navigators, health care providers, businesses, consumer advocates, health plan enrollees and medical assistance agencies. The Committee provides guidance and feedback to DCBS about issues affecting Oregon's health insurance marketplace.

Compact of Free Association (COFA) Premium Assistance Program Advisory Committee

In 2016, the legislature passed House Bill 4071, which directed DCBS to convene an advisory committee to advise DCBS in the development, implementation and operation of the COFA Premium Assistance Program.

Additionally, the Committee will develop recommendations in the following areas:

- Program administration;
- Outreach and education campaigns;
- Application and enrollment assistance;
- Rulemaking related to the passage of House Bill 4071; and
- Submitting a report to the legislature as directed by the measure.



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