Annual Report of the Health Insurance Exchange Advisory Committee

May 15, 2018

Department of Consumer and Business Services
350 Winter St. NE
Salem, OR 97309
855-268-3767
www.oregon.gov/dcbs

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I. Introduction

Oregon Revised Statute (2015) 741.004 created the Health Insurance Exchange Advisory Committee, known as the Marketplace Advisory Committee or MAC. The committee advises the director of the Department of Consumer and Business Services in the development and implementation of the policies and operational procedures governing the administration of the marketplace.

The statute calls for an annual report from the committee, containing findings and recommendations including:

a) Adequacy of assessments for reserve programs and administrative costs
b) Implementation of the Small Business Health Options Program
c) Number of qualified health plans offered through the exchange
d) Number and demographics of individuals enrolled in qualified health plans
e) Advance premium tax credits provided to enrollees in qualified health plans
f) Feedback from the community about satisfaction with the operation of the exchange and qualified health plans offered through the exchange

This 2017 report is prepared in compliance with the statute.

II. Marketplace Advisory Committee

The members of the committee for 2017 were:

- Shonna Butler, life and health insurance broker, Tomlin Benefit Planning, Inc., Eugene
- Cindy Condon, health plan enrollee, Salem
- Joe Enlet, organizing director, COFA Alliance National Network, Portland
- Dan Field, executive director, Community Benefit and External Affairs, Kaiser Permanente Northwest, Portland
- Joe Finkbonner, executive director, Northwest Portland Area Indian Health Board, Portland
- Jim Houser, owner, Hawthorne Auto Clinic, Portland
- Sean McAnulty, Project Access Now, Portland
- Jesse O'Brien, policy director, OSPIRG, Portland
- Ken Provencher, CEO, PacificSource Health Plans, Springfield
- Shanon Saldivar, insurance agent, Revell Coy Insurance, The Dalles
- Claire Tranchese, training development manager, Oregon Primary Care Association, Portland
- Maria Vargas, outreach manager, Valley Family Health Care, Ontario
- Jennifer Welander, CFO, St. Charles Health System, Bend (joined in November 2017)
- Pat Allen, director of DCBS (ex-officio member of the committee until September 2017)
- Jean Straight, acting director of DCBS (ex-officio member Sept. 21, 2017, to Dec. 20, 2017)
- Cameron Smith, director of DCBS (ex-officio member beginning Dec. 21, 2017)
- Mark Fairbanks, chief financial officer at the Oregon Health Authority (OHA) (ex-officio member until September 2017)

- Jeremy Vandehey, acting director of the Health Policy and Analytics division at OHA (ex-officio member beginning Sept. 21, 2017)

Committee members Joe Finkbonner, Claire Tranchese, and Maria Vargas ended their terms Feb. 16, 2018. New members Kraig Anderson of MODA Health Plans and Stephanie Castano of the Oregon Primary Care Association joined Feb. 17, 2018.

III. Findings and recommendations required by Oregon Revised Statute (2015) 741.004

i. Adequacy of assessments for reserve programs and administrative costs

The Oregon Health Insurance Marketplace is financially stable and self-funding for the remaining 18 months of the 2017-2019 biennium.

At a Feb. 9, 2017, meeting, the Marketplace Advisory Committee recommended 2018 assessment rates for individual medical plans and for stand-alone dental plans. They agreed the rates should be retained at the 2017 levels. They are:

- $6.00 per member per month (PMPM) for individual medical health plans
- 57 cents PMPM for stand-alone dental plans

As of Dec. 31, 2017, the Marketplace can fund approximately eight months of activities with a fund balance of $3.5 million.

The 2017-2019 biennium budget for the Oregon Health Insurance Marketplace is shown below:

2017 - 2019 Legislatively Adopted Marketplace Budget

Section	2017 - 2019 LAB	Positions	FTE
Marketplace	14,917,407	17	17.00
Shared Services	1,012,108		
Total	15,929,515	17	17.00

At the end of 2017 (through six months of the biennium), DCBS has used approximately 21 percent of the Marketplace limitation and 34 percent of the limitation provided to shared services to support the Marketplace. The Marketplace is planning on using all the shared service limitation during the 2017-2019 biennium.

Oregon Health Insurance Exchange 2017 - 2019 LAB and Actuals

Section	2017 - 2019 LAB	Actual Expenditures as of 12/31/2017	Projection 1/2016 - 6/2018	Actual and Projected	Variance Over/(Under)	% Variance ((Actuals + Projected) / LAB)
Marketplace	14,917,407	3,187,847	9,434,790	12,622,637	(2,294,770)	85%
Shared Services	1,012,108	341,830	670,278	1,012,108	0	100%

The following table shows revenues for the Oregon Health Insurance Marketplace during calendar year 2017.

Oregon Health Insurance Exchange CY 2017 Balances and Revenues

Account Description	2017Q1	2017Q2	2017Q3	2017Q4	Year Total
Beginning Balance	17,644,782	12,352,162	15,141,897	17,183,156	
PMPM Assessment - Medical	3,323,241	2,385,175	2,051,738	2,088,389	9,848,543
PMPM Assessment - Dental	17,198	27,723	36,110	28,823	109,854
Charges for Services	890	0	0	0	890
Interest and Investments	46,949	44,923	62,012	34,108	187,992
Other Revenue	611	825	25,351	1,103	27,890
Total	3,388,889	2,458,646	2,175,211	2,152,423	10,175,169

ii. Implementation of the Small Business Health Options Program

The marketplace continues to help qualified employers take advantage of the small business health care tax credit, even though Oregon does not have an online portal for small businesses and their employees to access coverage.

Any small business in Oregon with one to 50 employees can purchase a certified plan directly from one of the participating insurers or through an insurance agent. If the small business has fewer than 25 full-time employees, it may be eligible for the small business health care tax credit. The insurer can contact the marketplace to request a letter confirming that the plan purchased is certified, and the employer can use the letter to file for the tax credit from the IRS. This manual process was first implemented in 2014 because Oregon was not able to build a technological solution, and the federal enrollment website, HealthCare.gov, offers only individual – not small-group – coverage.

In 2017:

- 157 small businesses used the marketplace's process
- 1,158 people were covered on those plans
- The businesses chose plans from among four insurance companies offering marketplace-certified plans

iii. Number of qualified health plans offered through the exchange

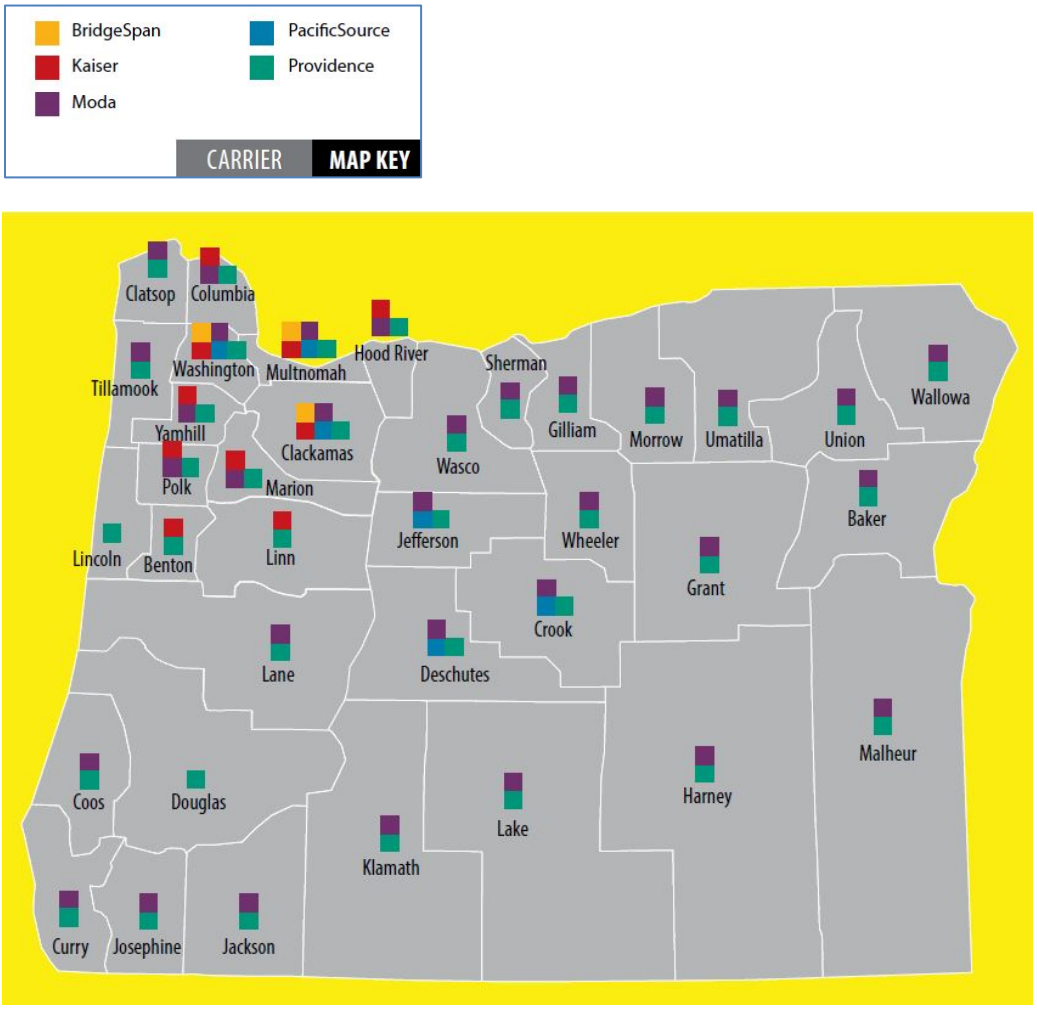
Insurance companies filed 2018 rates and service areas in spring of 2017. For the 2018 plan year, five insurance companies sell qualified health plans in Oregon on HealthCare.gov.

However, availability is uneven across the state. Of Oregon's 36 counties, two (Lincoln and Douglas counties) have only one insurance company (Providence Health Plans) offering coverage through HealthCare.gov. In those counties, one bronze-tier plan, one silver-tier plan, and one gold-tier plan are available.

In 23 other Oregon counties (see map below), two insurance companies sell plans on HealthCare.gov. In those counties, a minimum of six plans are available.

The greatest choice is available in the tri-county Portland metropolitan area. In Multnomah, Washington, and Clackamas counties, five insurance companies offer a total of 31 plans.

Each insurance company in each county also offers a catastrophic-coverage plan to those eligible to purchase it, usually people age 30 or younger.



iv. Number and demographics of individuals enrolled in qualified health plans

Calendar year 2017 comprised the 2017 plan year and the entire open enrollment period (Nov. 1 to Dec. 15) for the 2018 plan year. Enrollment through the marketplace increased slightly for the 2018 plan year. Sign-ups were strong despite a shortened enrollment period, record low federal support for advertising, and widespread confusion about the state of the federal health care law.

The following 2018 data were reported by the Centers for Medicare and Medicaid Services once open enrollment closed.

Total On-Marketplace Enrollment	
By Dec. 15, 2017 (2018 plan year)	By Jan. 31, 2017 (2017 plan year)
156,105	155,430

Applications and Eligibility	
Applications	153,078
Individuals on applications	223,107
Eligible for Marketplace	185,379
Eligible with financial help	132,582
Eligible for Medicaid	36,341

New and Returning Customers	
New enrollees	45,362 (29%)
Returning enrollees	110,473 (71%)
Auto-enrolled returning enrollees	26,335 (15% of all customers)
Active returning enrollees	84,408 (54% of all customers)
Active returning who changed plans	38,789 (25% of all customers)

Enrollment by Gender	
Female	55%
Male	45%

Enrollment by Age*	
Age < 18	8%
18-25	7%
26-34	17%
35-44	17%
45-54	18%
55-64	31%
>64	1%

*Percents do not total 100 percent due to rounding

Enrollment by Metal Tier, by Year					
	2018	2017	2016	2015	2014
Bronze	38%	34%	29%	26%	25%
Silver	53%	60%	61%	65%	64%
Gold	9%	5%	10%	8%	8%
Platinum	N/A	N/A	N/A	1%	1%
Catastrophic	1%	1%	1%	1%	1%

Enrollment by Race/Ethnicity*	
American Indian/Alaskan Native	<1%
Asian	7%
Black	1%
Hawaiian/Pacific Islander	<1%
Latino	5%
Multiracial	3%
White	62%
Unknown/Not reported	25%

*Percents total more than 100 percent because people who identify as Latino may be of any race

Enrollment by Income Level	
>150% FPL*	9%
150%-200% FPL	23%
200%-250% FPL	18%
250%-300% FPL	12%
300%-400% FPL	17%
Other income level**	20%

*Federal Poverty Level. FPL for plan year 2018 $12,060 per year for an individual and $24,600 for a household of four.

**Incomes above 400% FPL and unknown incomes

Enrollment by County	
Baker County	675
Benton County	2,835
Clackamas County	16,119
Clatsop County	1,873
Columbia County	1,518
Coos County	2,095
Crook County	796
Curry County	1,115
Deschutes County	10,909
Douglas County	3,068
Gilliam County	83
Grant County	236
Harney County	295

Hood River County	1,589
Jackson County	7,987
Jefferson County	604
Josephine County	3,142
Klamath County	1,909
Lake County	277
Lane County	13,994
Lincoln County	2,407
Linn County	3,325
Malheur County	730
Marion County	9,441
Morrow County	225
Multnomah County	38,149
Polk County	2,171
Sherman County	90
Tillamook County	1,240
Umatilla County	1,606
Union County	966
Wallowa County	491
Wasco County	943
Washington County	19,899
Wheeler County	87
Yamhill County	3,216

v. Advance premium tax credits provided to enrollees in qualified health plans

Customers Receiving Subsidies	
Percent of customers receiving financial help	75%
Percent with APTC*	74%
Percent with cost-sharing reductions	35%
Average APTC among consumers receiving APTC	$421

*Advance Premium Tax Credit

vi. Feedback from the community about satisfaction with the operation of the exchange and qualified health plans offered through the exchange.

As a fairly new committee, first empaneled in the spring of 2016, the Marketplace Advisory Committee has not established formal methods for gauging community satisfaction with the marketplace and the plans offered through the exchange.

However, the committee members, based on their own experiences as stakeholders, and as representatives of the community, offer several areas where the marketplace can expand its services and qualified health plans can improve.

Qualified health plans: Concerns from the public frequently center on the cost of the insurance available through the marketplace, especially for people who do not qualify for subsidies. People without subsidies have no apparent reason to use the marketplace, and some perceive plans on the outside market as having more affordable rates. There may be some plans outside the marketplace – either plans not offered inside the marketplace by marketplace-participating carriers, or plans from carriers that do not participate in the marketplace – that a customer finds to be a better fit for their needs and budget. It is worth noting, however, that all premiums in the individual market are reviewed and regulated by Oregon's Division of Financial Regulation using the same rate review process, regardless of marketplace participation.

Insurance costs also are a concern for small businesses. Some small businesses, not subject to the mandate to offer employee coverage, want to provide insurance to their workers but cannot afford to provide it. In addition, at least one small-business owner reports that her employees indicated they would prefer to have no offer of coverage so they remain eligible for subsidies through the marketplace. If an employer offers coverage that requires employees to pay 9.5 percent of their income or less toward the premium for the coverage, the employees and the employees' dependents are not eligible for subsidies.

Costs of health care: Plans in the individual market can have substantial deductibles and other out-of-pocket costs, up to a maximum (for individuals) of $7,350. That means that many enrollees are paying the full cost of even in-network care until they meet that deductible, with exceptions for preventive care and services covered outside of the deductible (if any, under their plan). Knowing the costs of services they may seek from doctors and other providers would help these customers shop for providers, plan their health care spending, and even choose the most appropriate plan for their health care needs and budget.

Currently, the marketplace offers no tools for estimating care costs from different providers, and the Division of Financial Regulation has noted that procedure costs negotiated between insurance companies and providers are confidential as protected by law. Patients without insurance sometimes are able to negotiate fees with providers, but at least one consumer reports that when covered by a health plan, she is not able to negotiate care costs because the provider has contracted with the insurance company at a set amount.

In addition, consumers can incur unexpected costs when they seek what they consider to be preventive services. Many preventive care services are available through marketplace plans at no out-of-pocket cost to the consumer. However, these services are defined precisely and not necessarily intuitively for laypeople. The service they consider preventive may end up qualifying as nonpreventive, and incurring out-of-pocket costs.

Some members of the committee recommend offering health savings account-eligible plans through the marketplace. HSA-eligible plans, as they are known, allow enrollees to save money tax-free to pay for care.

Opportunities to improve outreach: Many providers (clinics and physicians) may not have a clear understanding of what insurance programs and plans are available to patients. As a result, they are not able to answer patient questions or provide guidance. Much of the marketplace's

education is directed at patients and consumers with less outreach to providers, who often get questions from patients about coverage options.

Administrative staff at hospitals and clinics, including financial assistance staff, also could benefit from such education. Some hospitals have enrollment assistance for people eligible for the Oregon Health Plan, but very little to no information about enrollment or assistance through the marketplace.

The advisory committee also recommends plain-language outreach and educational materials, and more extensive advertising and marketing in eastern Oregon.