

**Washington State Joint Select Committee on
Health Reform Implementation**

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OREGON HEALTH INSURANCE EXCHANGE

PATH TO OREGON'S EXCHANGE

- **2007 – Oregon Health Policy Commission recommends an exchange**
- **2008 – Oregon Health Fund Board recommends an exchange**
- **2009 – Oregon Health Policy Board is tasked with developing a business plan for the exchange**
- **2011 – Legislation passed exchange legislation (SB 99)**

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SENATE BILL 99 – THE EXCHANGE

- **Passed Oregon Senate May 4, 2011**
 - 24 yeas and 5 nays and 1 absent
- **Passed Oregon House June 3, 2011**
 - 48 yeas and 12 nays
- **Signed by Governor June 22, 2011**
- **9th state to pass exchange legislation**
- **1st state to pass with bipartisan vote**

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THE EXCHANGE – GOVERNANCE

- **Establishes Public Corporation**
- **Governed by 9 Member Board**
- **Individual and Small Business Consumer Advisory Committee**
- **Legislative Advisory Committee**

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THE GOVERNOR TAKES ACTION

- **Names Interim Exchange Director July 1st**
- **Nominates Board of Directors and send names to Senate on Aug 2nd**
- **Senate confirms Exchange Board September 22nd**
- **First meeting of Exchange Board September 30th**

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THE EXCHANGE BOARD

- **2 Small Business Representatives**
- **1 Large Business Representative**
- **3 Consumer Representatives**
- **1 Provider Representative**
- **Director, Oregon Health Authority**
- **Administrator, Insurance Division**

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THE EXCHANGE – WHAT IS IT?

- **Internet based shopping mall**
- **Compare and purchase health insurance plans**
- **Eligibility for individual tax credits determined**
- **Information and grading of plans**
- **Both individuals and small employers**

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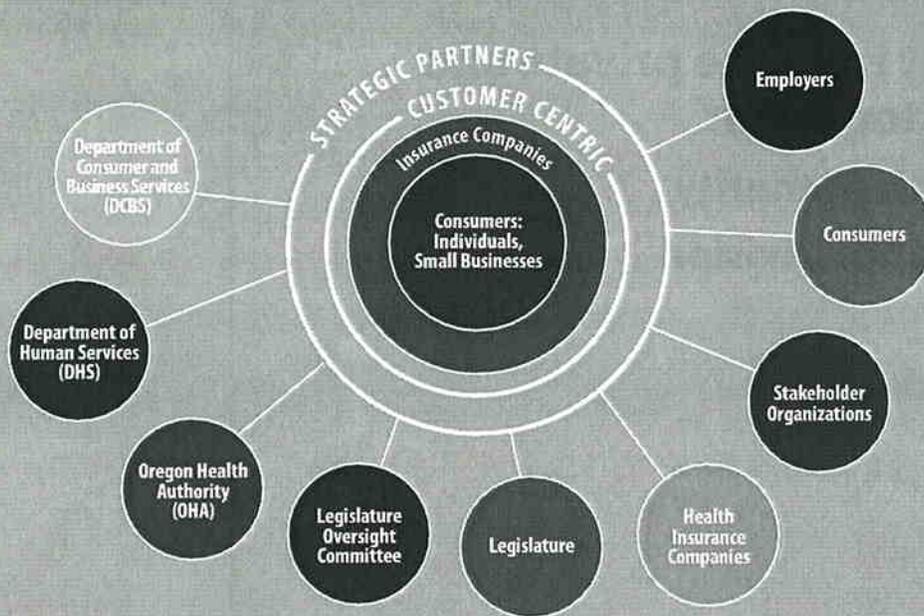
EXCHANGE FRAMEWORK

Placeholder Mission:

- ***Describes the essence of the Exchange while holding a burning match!***
- ***Get on an elevator on the first floor and describe what the Exchange does before you reach the second floor!***

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EXCHANGE FRAMEWORK



CORPORATE INFRASTRUCTURE

What we've done in 120 days:



HUMAN RESOURCES AND STAFFING

Bringing talent from the private and public sectors together:

- **Oregon Health Authority**
- **DCBS - Insurance Division**
- **Consultants**
- **Insurance Industry**

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HUMAN RESOURCES AND STAFFING

Philosophy of approaching initial work:

It's a start-up!

- **Need to be flexible, nimble and responsive**
- **Assign people to "circles of work" based on their strengths and skills**

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THE BOARD – INITIAL FOCUS

- **Corporate implementation**
- **Board work plan and meeting schedule**
- **Come up with a name**
- **Exchange mission and objectives**
- **Appointment of executive director**
- **Draft business plan**
- **Public input**

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BUSINESS PLAN – DUE FEBRUARY 2012

Key elements of plan:

- **Mission, objectives and governance**
- **Operations**
 - **Core competencies**
 - **Systems**
- **Communications**
- **Financials**
- **Evaluation**

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BUSINESS PLAN – THE PHASES

Key phases in the Business Plan

- **Planning**
- **Building**
- **Testing**
- **Implementation**
- **Operations**
- **Evaluation**

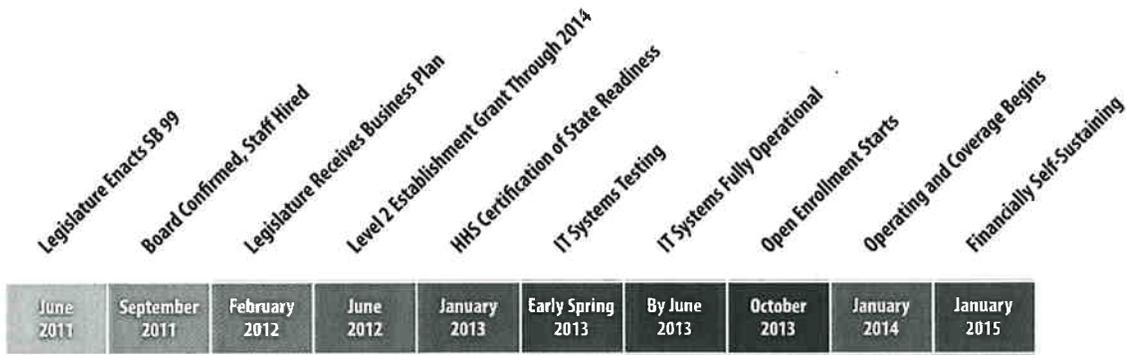
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CHALLENGES: TIMEFRAMES



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CHALLENGES: TIMEFRAMES



INDIVIDUAL AND SHOP

INDIVIDUAL MARKET EXCHANGE

Focus is on Individuals:

- US citizens or legal residents
- Not incarcerated
- Resident of the state

Tax credits for people between 138 – 400% FPL who don't have affordable coverage options.

No cafeteria plan pre-tax treatments.

SHOP SMALL GROUP MARKET

Focus is on Employers:

Full-time employees of small businesses with up to 100 workers:

- States can limit to businesses with 50 or less until 2016
- In 2017, states can let in large groups with 100 or more

Sliding-scale tax credit:

- Less than 25 workers
- Average wages less than \$50,000
- Maximum two-years, up to 50% of premium contribution

PROJECT UPDATE – LAYING THE BRICKS

SHOP and Individual Market:

- **Created technical assistance workgroup to identify policy issues and develop framework for considering options**
- **Group is made up of Exchange staff, consultants, industry experts and carrier representatives**

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PROJECT UPDATE

- **Will expand to include small businesses and their employees**
- **Will start with SHOP issues, then move to individual market design**

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PROJECT UPDATE

- **SHOP Exchange**
 - **Small business tax credits**
 - **4 Employer Options**
 - **Defined Contribution Model**
 - **Billing and payment through exchange**

SHOP EXCHANGE

Four small employer choices:

- **Traditional:** *Employees must enroll in carrier and plan selected by small employer*

	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$400	\$395	\$450	\$420
Gold	\$375	\$375	\$400	\$380
Silver	\$350	\$330	\$380	\$340
Bronze	\$325	\$300	\$340	\$320

SHOP EXCHANGE

- **Plan Bundling:** *Employees may select from carrier selected by small employer and from all plans offered by that carrier*

	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$400	\$395	\$450	\$420
Gold	\$375	\$375	\$400	\$380
Silver	\$350	\$330	\$380	\$340
Bronze	\$325	\$300	\$340	\$320

SHOP EXCHANGE

- **Multiple Carrier/One Plan:** *Employees may select from all carriers but limited to one benefit plan level selected by small employer*

	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$400	\$395	\$450	\$420
Gold	\$375	\$375	\$400	\$380
Silver	\$350	\$330	\$380	\$340
Bronze	\$325	\$300	\$340	\$320

SHOP EXCHANGE

- **Full Choice:** *Employees may select from all carriers and from all plans*

	Carrier A	Carrier B	Carrier C	Carrier D
Platinum	\$400	\$395	\$450	\$420
Gold	\$375	\$375	\$400	\$380
Silver	\$350	\$330	\$380	\$340
Bronze	\$325	\$300	\$340	\$320

RESHAPING THE INDIVIDUAL MARKET



CHALLENGES: RISK ISSUES

Three federal mechanisms:

- Risk adjustment (*starting in 2014*)
- Transitional reinsurance program (*2014-2016*)
- Risk corridor program (*2014-16*)

Three state options:

- Oregon's Children's Reinsurance Program
- Oregon Medical Insurance Pool (*OMIP*)
- SHOP-specific reinsurance mechanism

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CHALLENGES: COMPETING INTERESTS?

Consumer

**Insurance
Industry**

Quality — Price — Standards — Choice

The Exchange Board

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