

OFFICE OF PRIVATE HEALTH PARTNERSHIPS

The Office of Private Health Partnerships (OPHP) was created as the Insurance Pool Governing Board in 1987 to help reduce the number of uninsured Oregonians. The agency was renamed in 2006. In July of 2009, OPHP began transitioning into the Oregon Health Authority (OHA) as detailed in House Bill 2009 passed during the 2009 Legislative Session.

OPHP directly supports OHA's vision for *A Healthy Oregon* by reducing the number of uninsured Oregonians.

OPHP's programs offer consumer plan and provider choice as well as providing members premium assistance and access to health care information and resources, and allowing consumers to make informed decisions about their health care options. The quality, reliability and availability of care and the cost of care for both the insured and uninsured populations affects the lifelong health of Oregonians.

The agency's programs create a three-prong partnership between government, the private market and the insured. Since its inception, OPHP has designed, contracted, managed and administered programs that provide health care access to income-eligible individuals and families and to those who have been declined coverage due to pre-existing health conditions. Approximately 85 percent of OPHP's members do not qualify for other state health programs.

Combined, OPHP's programs provide access to health insurance coverage for approximately 26,000 Oregonians.

In January 2014, coverage for most of the 26,000 OPHP program enrollees will change due to passage of the federal Affordable Care Act (ACA). Therefore, the OPHP 2013-15 Agency Request Budget (ARB) does not yet reflect any of these pending changes, and ARB program budgets reflect full operations for all 24 months in the biennium. Program transition, restructure, and closure plans – and associated impacts on the budget – will be presented in the Governor's Recommended Budget or during session. In the meantime, a brief overview of potential changes is provided in the "Program Future and Expected Results in 2013-15" section for each program.

Overview

OPHP administers five programs that work to break down barriers to access; assist with health care costs; and educate program members, the general public, and members of the health industry. These five programs are closely connected, working across program lines to share talent, technologies, and other resources to accomplish the shared mission of the organization.

This cooperation between the programs creates efficiencies and expands the capability of each program. The combined administrative cost of these programs is less than five percent of total expenses.

Family Health Insurance Assistance Program

The Family Health Insurance Assistance Program (FHIAP) helps uninsured, income-eligible Oregonians afford private health insurance. The program subsidizes a portion of the member's monthly health insurance premium. A member's subsidy level decreases as their annual income increases. FHIAP members are responsible for their own co-payments and deductibles. This model encourages self-sufficiency, assisting each member on the path to health independence.

Healthy KidsConnect

Healthy KidsConnect (HKC) is the private market insurance component or “mini-exchange” portion of the state's Healthy Kids program. Healthy Kids provides health insurance options for uninsured children age 18 and under, regardless of family income. It provides choices for families that earn too much to qualify for the Oregon Health Plan, but can't afford to pay the full cost of private health insurance premiums on their own. OPHP also administers the part of the Healthy Kids program that helps families pay for insurance at work, if an employer plan is available — Healthy Kids Employer Sponsored Insurance . Like FHIAP, a Healthy Kids Connect member's monthly subsidy assistance decreases as the member's annual income increases. Families with income above 300 percent federal poverty level are not eligible to receive subsidies but can purchase insurance coverage for their children at full cost.

Oregon Medical Insurance Pool and Federal Medical Insurance Pool

The Oregon Medical Insurance Pool (OMIP) and the Federal Medical Insurance Pool (FMIP) offer guaranteed-issue health insurance coverage for individuals, regardless of income level, who are unable to obtain medical insurance because of

health conditions. Both programs provide vital health security for people who would not otherwise have access to health insurance and care. OMIP also provides a way for Oregonians to continue insurance coverage after they have exhausted COBRA benefits and have no other options.

Information, Education and Outreach

The Information, Education, and Outreach (IEO) program supports OHA's mission by establishing and maintaining relationships with private and public sector partners. The office trains employers, insurance producers (agents), industry professionals, and civic groups and educates consumers and stakeholders on the health care delivery system and state programs.

Who receives services

Over 75 percent of uninsured Oregonians earn between zero and 300 percent of the federal poverty level. For others, commercial market health insurance is not available due to pre-existing or chronic health conditions, regardless of income. Combined these populations make up more than 80 percent of Oregon's uninsured, totaling approximately 500,000 people; these are the Oregonians OPHP programs are designed to serve.

As a group, OPHP customers can be differentiated from Oregon Health Plan clients and those utilizing other state assistance programs. More of OPHP's program members are employed, with over 25 percent of the population having access to employer-sponsored or group insurance. These program participants are required to pay a portion, based on income, of their own health insurance premiums. Members also are responsible for co-pays, deductibles, and other out-of-pocket costs, making them both a beneficiary and partner in program service and sustainability.

The need to address uninsurance in Oregon

According to the Office for Oregon Health Policy and Research (OHPR), approximately 15.6 percent of the nation lacked health insurance in 2010. The rate of uninsured Oregonians is 17.0 percent, which equates to approximately 636,000 people without health insurance in Oregon and places the state 38th in the nation.

The costs of having this many Oregonians uninsured are high and affect all Oregonians. Insurance companies see higher costs when the provider community shifts expenses related to uncompensated care, which often is delivered through the

emergency care system. The insured are then affected by the cost of higher premiums. As the number of uninsured Oregonians increases, the costs shift to a smaller population of insured individuals and companies in the health care system who end up paying these costs.

According to OHP, approximately 67 percent of people with health coverage obtain it through the private health insurance market. The remaining 33 percent of the insured population have health insurance through a public plan like a Medicaid managed care plan or Medicare coverage. Of those receiving state assistance, only about four percent obtain coverage through the private insurance market.

In states like Massachusetts, where an insurance exchange exists, a higher rate of public assistance comes through the private insurance market. The number of uninsured is kept low by utilizing the existing private health insurance marketplace, via the exchange. By leveraging the resources of multiple participants, including the consumer, insurance rates do not overwhelm public resources.

Although smaller in size and scope, OPHP programs operate on similar principles in addressing Oregon's high rate of uninsurance.

Guiding Principles

Supporting the triple aim

The Oregon Health Authority's Triple Aim is to improve the lifelong health of all Oregonians, to increase the quality, reliability, and availability of care for all Oregonians, and to lower or contain the cost of care so it is affordable to everyone. OPHP's programs work in support of these goals by reducing the number of uninsured Oregonians while maintaining plan and provider choice for its members. This directly affects lifelong health, and the quality, reliability and availability of care, and the cost of care for both insured and uninsured populations.

Providing health care access

We improve access to health care. Through subsidy assistance and cost sharing, OPHP programs help make health insurance more affordable for its members. FHIAP offers subsidy assistance ranging from a 100 percent subsidy for children whose family income is zero through 200 percent of the federal poverty level, to a 50 percent subsidy for adults with incomes between 170 and 200 percent of the

federal poverty level. Healthy Kids Connect and Healthy Kids employer sponsored insurance offer subsidies of 85, 90, and 100 percent to children with family incomes through 300 percent of the federal poverty level. The Oregon Medical Insurance Pool and Federal Medical Insurance Pool provide access to comprehensive health insurance coverage for people with chronic health conditions who cannot obtain commercial or public sector coverage, along with those who have exhausted other options.

By reducing cost, improving access, and sharing health information, these programs help increase each member's health security. Through sliding scale subsidy programs, where a member's subsidy decreases as their income increases, OPHP programs encourage each member's health independence.

Providing information and choice

As detailed in ORS 735.702, the Legislature charged OPHP with providing information about health benefit plans and the premiums charged for those plans, and with being a central source for information about resources for health care and health insurance. OPHP training seminars, publications, and web site provide valuable information and education, and serve as a resource for members, employers, the self-employed, insurance agents, carriers, other state agencies, stakeholders, and the public.

Choice is an important component of these programs. Members enrolled in an OPHP program have a choice of health plans and providers that best suit their needs. Minimum benefit standards are set to ensure that program enrollees have quality health insurance coverage, but beyond that minimum coverage level, the plan designs and provider networks provide significant options.

Partnering to share resources and costs

All participants, including insurers, employers, consumers, and the public sector have resources that can help reduce the number of uninsured Oregonians and provide access to improved care. These programs are designed to leverage available resources.

In February 2010, implementation of Healthy Kids Connect provided access to guaranteed-issue commercial health insurance coverage for children age 18 and under in households with income above 200 percent FPL, comparable to that

provided in the Children's Health Insurance Program. OPHP contracts with four commercially licensed insurers to provide coverage either on a statewide or regional basis. The implementation included the administration of premium subsidies with each of the commercial carriers for children in households where the income is between 200 and 301 percent of the federal poverty level. In addition, Healthy Kids Connect provides access to employer-sponsored insurance for those whose incomes are from zero to 301 percent of the federal poverty level.

In July 2010, the implementation of the Federal Medical Insurance Pool (FMIP) provided a federally supported high risk pool option for U.S. citizens and those lawfully present in the U.S. who have not had health insurance coverage for at least six months and have a medical condition that prevents them from obtaining commercial insurance. The private-sector third party administrator for OMIP also administers FMIP.

Partnering to optimize operational flexibility

OPHP relies on strong partnerships and the flexibility of program resources to develop, implement, and manage programs. Two new programs in 2010, Healthy Kids Connect and the Federal Medical Insurance Pool, were built using these elements. OPHP will continue to work across OHA programs and with partners to develop and implement changes that move Oregonians toward improved lifelong health, increased quality, reliability and availability of care, and affordable care.

Family Health Insurance Assistance Program

The Oregon Legislature established the Family Health Insurance Assistance Program (FHIAP) in 1997. FHIAP provides health insurance premium assistance to Oregonians who would not be able to afford health insurance on their own. This reduces the number of uninsured, and encourages a healthy Oregon by helping members access quality medical providers.

This program supports the Oregon Health Authority's mission by:

- **Creating a path to health care independence**
FHIAP offers monthly premium subsidies to adults on a sliding scale, ranging from 50 to 95 percent of the cost of insurance. All children under the age of 19 are subsidized at 100 percent regardless of income. The adult members' monthly subsidies decrease as their income increases. This sliding scale fosters self-reliance and continued movement toward health care

independence. The sliding scale also aligns directly with the goal of more equitably sharing the cost of health care for the uninsured, reducing the number of uninsured at a minimum cost to the public.

- **Providing health care choice**

FHIAP offers members numerous health insurance plan choices. Each plan includes a health care provider network that offers members the opportunity to select their care provider. Giving members the option to change providers if they are unhappy with their care helps ensure that Oregonians receive quality patient care.

All FHIAP-subsidized plans offer comprehensive medical benefits including prescription drug coverage, affordable out-of-pocket costs, and a wide array of provider choice throughout the state. Weighing access and cost, members select the plan that best fits their family's medical and financial needs.

- **Partnering to share health care costs**

FHIAP is unique in that it relies heavily on the combined contributions of employers, employees, and state and federal governments, to provide assistance to the uninsured. FHIAP addresses the gaps between the cost of health insurance and what people can afford to pay.

Program design

Commercial health insurance is the primary private sector partner of FHIAP. The program structure reflects a three-pronged partnership between government, the commercial health insurance market and consumers to provide health care to the uninsured. FHIAP pays a portion of a member's monthly health insurance premium purchased through:

- An employer, if a plan is available; or
- An individual private market carrier.

If a member's employer offers health insurance coverage that meets minimum cost-sharing and benefit standards and contributes toward the premium costs, the member is required to enroll in employer coverage. This requirement leverages private sector dollars, reducing taxpayer costs and increasing program capacity so more families receive premium assistance.

When employer insurance is not available, the program subsidizes individual market insurance premiums. FHIAP works with five of the largest domestic individual private market carriers in Oregon, including OMIP and FMIP, other programs administered by OPHP.

Uninsurance requirement: FHIAP requires that members be without health insurance for at least two months in order to be eligible for the program. The period of uninsurance is intended to reduce the number of Oregonians without health insurance by targeting only uninsured individuals while discouraging people from dropping their existing coverage to join the subsidy program.

Who receives services and how services are delivered

FHIAP serves children and adults from 0 through 200 percent of the federal poverty level in both individual and employer sponsored health insurance options.

Adults in FHIAP can only receive subsidies if all eligible children in the family are covered by health insurance in the commercial market or through the Oregon Health Plan, FHIAP or Healthy Kids programs. FHIAP pays 100 percent of monthly premiums for all children living in homes where the income is less than 201 percent of the federal poverty level.

FHIAP staff annually assess applicant eligibility, manages member accounts, including monthly premium billing in the individual market, payment to insurers and subsidy reimbursements in the employer market. FHIAP staff also process member appeals and administrative hearing requests.

The program mails applications in the order applicants put their name on the group or individual reservation list:

- Applications are sent out in date order when program openings become available.
- Families with members who don't qualify for group insurance, but with at least one who does, are placed on the group reservation list.

In June 2012 there were more than 43,000 people on the FHIAP reservation list.

This is the second time in the program's history that the reservation list reached more than 40,000 lives. Of the 43,000 on the list in June, approximately:

- 30,000 were adults;
- 10,000 were children; and
- 9,000 said they have access to employer-sponsored (group) insurance.

During the same period, FHIAP served approximately 6,800 members. Of those, approximately 2,800 were enrolled in employer-sponsored insurance, and approximately 4,000 were enrolled in individual coverage.

FHIAP provides subsidies to families with gross monthly incomes through 200 percent of the federal poverty level. A large number of members are at or below 100 percent of the poverty level. As of June 2012, the population was composed of the following enrollees by poverty level:

- Approximately 45 percent of members (group and individual) had incomes at or below 100 percent of the poverty level;
- Approximately 20 percent of members had incomes between 100 and 125 percent of the poverty level; and
- Approximately 35 percent of the members had incomes between 125 and 200 percent of the poverty level.

Quality and efficiency improvements

FHIAP works to promote improvements and efficiencies in the program. These activities range from improving the application process for members to sharing resources between programs to reduce administrative costs for the state. Combined, OPHP administrative costs are less than six percent.

During the last biennium, FHIAP:

- Simplified the program application;
- Implemented rule changes to simplify application paperwork and program requirements;
- Began a document imaging process;
- Simplified the language in forms and letters to reduce member questions;

- Worked to help build the database for the Healthy KidsConnect program; and
- Trained Healthy KidsConnect staff on eligibility and insurance.

Expenditures and revenues

FHIAP is funded through state General Fund appropriation, Federal Funds, Miscellaneous Other Funds, and the Insurers' Tax.

As part of the Oregon Health Plan demonstration waiver, the subsidy program receives federal matching funds for Medicaid (Title XIX) and the State Children's Health Insurance Program (Title XXI). Additionally, FHIAP receives a portion of the Insurers' Tax to provide subsidies for enrollees.

The Insurers' Tax is collected through a one percent tax on private market health insurance premiums. The Insurers' Tax is scheduled to sunset as of September 30, 2013. The FHIAP CSL budget was adjusted to reflect the elimination of this fund source following the sunset, with the difference replaced by an increased General Fund appropriation.

The ARB budget includes 31 positions and (30.25) FTE to maintain the program.

Program future and expected results in 2013-15

Coverage currently provided by the FHIAP program will likely shift in 2014 to Medicaid for eligible enrollees following expansion of the program, and to the Oregon Health Insurance Exchange. The program is currently under review by OHA and OPHP leadership, and options under consideration include transition and closure plans. The results of this review will be presented either in the Governor's Recommended Budget or during session.

The expected results for the FHIAP program for the period prior to changes described above are as follows:

- FHIAP will support Oregon benchmark #55 (Percent of Oregonians without health insurance) by extending coverage to Oregon's uninsured population, to the maximum extent of available funding.
- Program staff will evaluate policies and procedures, seeking ways to further streamline internal operations and applicant and member processes.
- Program management will review operations to continually improve efficiencies.

- Program staff will coordinate with the Oregon Health Plan and Healthy Kids program.
- Information technology staff will work with program staff to implement database enhancements, including document imaging, to increase employee productivity and accuracy of information.
- In response to the Secretary of State’s audit recommendations, program management will employ measures to enhance quality control through database enhancements and staff reassignment for performing quality assurance reviews.

Healthy KidsConnect

Healthy KidsConnect (HKC) was established with the passage of HB 2116 and signed into law on August 4, 2009. HKC helps families gain access to comprehensive insurance coverage for uninsured children by providing premium subsidies and partnering with private-market carriers to deliver services.

Healthy Kids Connect is the commercial insurance component of Healthy Kids, Oregon’s program that offers health care coverage to eligible uninsured children age 18 and under. Healthy Kids was established with a goal of enrolling 95 percent of Oregon’s uninsured children with family income at or below 300 percent of the federal poverty level. Healthy Kids Connect is designed for families that earn too much to qualify for the Oregon Health Plan, but can’t afford to pay the full premium for their child’s private health insurance. This program also provides qualified families with access to employer-sponsored insurance (ESI) or group subsidies to enroll uninsured children into their employer’s plan. Employer’s plan must meet federal benefits guidelines to qualify.

Healthy Kids Connect aligns with the Oregon Health Authority’s mission by:

- **Expanding access to all Oregon’s uninsured children**
The program offers sliding scale subsidies for families whose income is between 200 and 300 percent of the federal poverty level (FPL). Expanding coverage to this previously under-served population provides opportunities for children to receive comprehensive health coverage. Families with income above 300 percent FPL pay full cost of insurance premiums.
- **Providing health care choice**
Families enrolling children in Healthy Kids Connect have provider choice.

Each plan includes a health care provider network that offers members the opportunity to select a provider that will best serve their child's health care needs.

- **Partnering to share health care costs**

Healthy Kids Connect provides cost sharing among consumers, government and the private market through income-based subsidy payments for families whose annual income is 300 percent FPL or lower.

Program design

The program structure creates a partnership between the commercial market, government, and consumers to provide health care for uninsured children.

Healthy Kids Connect manages the request for proposal process for the program's private-market health plan options. Currently, the program contracts with four insurance carriers to provide health insurance benefits comparable to Oregon Health Plan Plus. The plan offers comprehensive health care coverage that includes dental, vision, mental health, pharmacy, and physical health care benefits.

Staff manage member invoicing and payments and the employer plan benchmarking ensuring the plan meets federal standards. The program assists the Office of Client and Community Services (OHA) and the Department of Human Services with expediting annual program redetermination for members and manages member relations and ongoing carrier relations.

An important measure of health care affordability is the consumer's total out-of-pocket expenses. To align with federal standards and ensure Healthy Kids Connect insurance is affordable for the families that receive subsidies, OPHP set an out of pocket limit of five percent of the family's annual income for members who enroll in the private market plans. If a family reaches the five percent limit, OPHP or the carrier pays expenses above that amount. Healthy Kids Connect out of pocket expenses include monthly premium, co-pays, co-insurance, and all other expenses related to health care and incurred under the insurance plan.

Health Kids Connect expands coverage options to additional income levels, removing barriers to accessing health care coverage and building on existing programs already available to Oregon families.

Who receives services and how services are provided

OPHP helps families with incomes between 200 and 300 percent of the federal poverty level by paying 85 to 90 percent of their monthly health insurance premium and encouraging enrollment and active financial participation in their child's health care needs. Subsidized members are responsible for approximately 10 to 15 percent of the premium cost, depending on their income level. OPHP pays 100 percent of the premium cost for children enrolled in a parent's employer plan through HK ESI and whose household income is zero through 200 percent FPL.

Oregon's Healthy Kids effort is a innovative, multi-agency collaboration of the Oregon Health Authority's (OHA) Office of Healthy Kids, Medicaid Assistance Programs, OPHP, the Department of Human Services (DHS), the Office for Oregon Health Policy and Research partnering with four private market insurance carriers, and community stakeholders. Each of these partners performs a vital role in marketing, application assistance, service delivery, and evaluation. This collaboration of public and private partnerships ensures "every kid is a Healthy Kid" and provides a seamless transition for children into health insurance coverage, regardless of income level.

There is one OHA application for medical assistance programs (except FHIAP), including Healthy Kids and Healthy KidsConnect. Applications are submitted to DHS for determination of family and child eligibility based on program rules and guidelines.

The applications of Oregonians who earn too much for the OHP component and meet Healthy Kids Connect and HK ESI eligibility are forwarded to the Office of Private Health Partnerships. OPHP provides qualified families with information on carrier and employer options for enrolling in private insurance.

OPHP administers HKC health insurance plans and member reimbursement for HK ESI benefits available through a member's employer plan.

One of OPHP's key performance measures is customer satisfaction relating to the family's experience with the private market carrier that provides the child's insurance coverage. OPHP's goal is to have more than 90 percent of its customer's rate their experience with their carrier as "Good" or "Excellent" on a satisfaction survey.

Expenditures and revenues

Healthy Kids Connect is funded with a combination of Federal Funds and Other Funds (Insurers' Tax), increasing the amount of federal dollars available to the state to help more families. Approximately 74 percent of program expenditures are Title XXI (CHIP) funds, with the balance matched by the member share plus Insurers' Tax funds.

The Insurers' Tax is collected through a one percent tax on private market health insurance premiums. The Insurers' Tax is scheduled to sunset as of September 30, 2013. The program's current service level budget was adjusted to reflect the elimination of this fund source following the sunset, with the difference replaced by an increased General Fund appropriation.

The ARB Budget includes 22 positions and 22.00 FTE for maintaining the program.

Program future and expected results in 2013-15

The Healthy Kids Connect program is only indirectly impacted by passage of the ACA, and will likely continue functioning in OHA, or potentially in the Oregon Health Insurance Exchange (ORHIX). Discussions are underway between OHA, ORHIX, and OPHP leadership to determine the appropriate home for the program. The results of these discussions will be presented either in the Governor's Recommended Budget or during session.

The expected results for the HKC program are as follows:

- Continue implementation of the private-public partnership of the Healthy Kids Connect model, or "mini-exchange" for children. This partnership could serve as the model for planning and implementing a larger insurance exchange.
- Build on existing OPHP programs and administrative structures for efficient implementation of health reform and improved access to health insurance for more children.
- Collaborate to provide customers seamless eligibility determination and enrollment for movement between OHA/DHS and OPHP programs when necessary.
- Achieve excellent scores on two key performance measures: customer satisfaction with private market health insurance carriers and percentage of subsidized families who do not exceed their out of pocket expense limit.

Oregon Medical Insurance Pool

The Oregon Legislature established the Oregon Medical Insurance Pool (OMIP) in 1987 as the state's high-risk health insurance pool.

OMIP provides medical insurance coverage for all Oregonians denied adequate medical insurance coverage because of current or prior health conditions. This program partners with private market health insurers to help reduce the state's uninsured rate by providing insurance options to people who otherwise would be without health coverage.

OMIP also provides a way to continue insurance coverage for those who exhaust COBRA benefits and have no other options.

OMIP supports the Oregon Health Authority's mission by:

- Providing access for Oregon's uninsurable
- OMIP serves the highest medical risk individuals in the state who otherwise would not have access to health insurance due to pre-existing health conditions.
- Maintaining plan and provider choice
- OMIP offers four health benefit plans to accommodate the financial circumstances of individual enrollees. The plans differ in deductible amounts and other out-of-pocket costs which allows for varying premium amounts among the four plans.
- Promoting health management
- OMIP provides the necessary resources, such as disease management, pharmacy, and case management programs, to allow chronically ill Oregonians to better manage their conditions.

Sharing health care costs

OMIP is structured to distribute costs between the member and the private market. With commercial insurance plans, the total premiums generally cover the entire plan's costs for medical care and administration. However, OMIP member premiums cover about 50 percent of the program's total costs. The remainder is covered through assessments Oregon law authorizes OMIP to collect from Oregon health insurance companies.

OMIP provides access to health insurance for thousands of Oregonians, helping reduce the number of people seeking emergency room services as a last resort. OMIP allows members to utilize a network of primary care providers and specialists in a manner that benefits Oregon's overall health care system.

OMIP and FMIP private-public program design

OMIP and the Federal Medical Insurance Pool (FMIP) contract with a third-party administrator (TPA), Regence BlueCross Blue Shield of Oregon. Regence BCBSO handles the pools' day-to-day operations, including eligibility, enrollment, customer service, data reporting, claims processing, prior authorization, pharmacy benefit management, case management and disease management.

OMIP staff work closely with the third party administrator to coordinate operational and policy issues and promote improvements in service delivery.

The administrative cost for the third party administrator plus the state program management and staff during fiscal year 2011 was less than five percent of total expenditures.

- OMIP administration: expenses for state administrative staff and supplies comprise less than one percent of total expenditures.
- Third party administrator: the cost of the third party administrator comprises four percent of total expenditures.
- Insurance agent fees: OMIP pays a one-time \$75 fee to Oregon licensed agents who assist an applicant in completing the OMIP application and obtaining coverage. These fees comprise approximately 0.2 percent of total expenditures.

The third party administrator's administrative expense and agent fees increase as OMIP enrollment increases. OMIP pays the third party administrator a contracted dollar amount per enrollee per month for administration. Member premiums cover about 50 percent of the total program costs. The remaining 50 percent is covered by health insurer assessments. The insurers pass these assessments to the consumer through the individuals and companies insured under their private market insurance plans. Essentially, individuals and companies that pay for private insurance subsidize approximately 50 percent of OMIP's expenditures. This percentage has risen during the past several years from about 35 percent to its current level.

Who receives services and how services are delivered

The Oregon Medical Insurance Pool (OMIP) and the Federal Medical Insurance Pool (FMIP) are the high-risk health insurance pools for the State of Oregon.

Oregonians served by OMIP and FMIP have been declined coverage by the individual health insurance market because of their medical conditions.

Additionally, OMIP serves individuals who have exhausted employer-based COBRA benefits and have no other available options to continue coverage; have left employment and moved out of their employer's plan service area and are not able to continue that coverage; or are eligible for the Federal Health Coverage Tax Credit (HCTC).

OMIP and FMIP benefit plans mirror those in the commercial group preferred provider option (PPO) health market. The plans include case management services, disease management programs, prior authorization requirements, a drug formulary, and higher benefits when enrollees choose to use participating providers.

OMIP and FMIP receive guidance from a ten member board. The Oregon Health Authority director appoints nine of these members. The director, or a designee of the director, also serves on the board.

Eligibility

Enrollees must be residents of Oregon when they enroll and demonstrate that they have lived in Oregon for at least 180 days during each benefit year. OMIP does not have a citizenship requirement for coverage or a required period of uninsurance.

The federal pool has a six-month period of no insurance requirement and enrollees must be U.S. citizens or lawfully present in this country.

Quality and efficiency improvements

- Enrollees received more help managing their health care and benefits.
- Expanded the range of diagnoses addressed by disease management programs.
- Enhanced promotion of no-cost classes for smoking cessation and self-management of chronic diseases.
- Promoted use of MyRegence website for enrollees to access a wide range of information about managing diseases and lifestyle, general knowledge about medical conditions and medication alternatives and history of claims.

- Promoted healthy lifestyles by offering paid weight loss programs through Weight Watchers.
- Took measures to control rising medical costs:
- Increased the number of available generic prescriptions from 59 to 72 percent of covered medications, thereby controlling the rate of increase in drug expenditures for OMIP;
- Increased the non-preferred drug co-payment to encourage generic drug use;
- Obtained a federal grant award to offset costs, support increased use of generic medications, and employ remote monitoring of individuals with complex multiple diagnoses in order to avoid emergency-room visits and inpatient admissions.
- Improved access to information for enrollees, stakeholders, and the general public by expanding the Web site to include more information and providing easier navigation for a variety of audiences including enrollees, health care policymakers, and insurers affected by the OMIP assessment.
- Revised significant sections of the benefit contract, the OMIP/FMIP Handbook, and the benefit plan summaries to make them easier to understand.
- Improved access to resources by contracting with the Department of Health and Human Services to implement the Federal Medical Insurance Pool (FMIP). FMIP will help stabilize the OMIP assessment through a shift of OMIP cost to the federal government.

Federal High Risk Pool (FMIP)

On April 30, 2010 Governor Ted Kulongoski sent a letter to the Secretary of HHS indicating Oregon's interest in administering the federally funded high-risk pool through the state's existing medical insurance pool (OMIP). HHS signed a contract with the state on July 12, 2010.

The biggest difference between FMIP and OMIP is funding streams. OMIP is funded by a combination of member premiums and an assessment on health insurance companies. The new federal high risk pool is funded by a combination of member premiums and funds from the federal government.

The federal pool is structured to be nearly identical to OMIP, but offers two insurance plans rather than four. A seamless and transparent structure simplifies the application process, aids in communicating the benefit plan details, and makes better use of program funds.

The existence of the new federally funded pool will have the affect of shifting future costs (new medically eligible enrollment) from OMIP to the federally funded pool. This may level out the cost of running the existing state pool over time.

Expenditures and revenues

OMIP is funded with member premiums and assessments on health insurance carriers licensed to do business in Oregon. By statute, OMIP premium rates for pool coverage cannot be more than 125 percent of rates established as applicable for individual risks in the commercial market. In 2008, the premiums were 25 percent above the market for comparable PPO plans; in 2009, they were 15 percent above the market; in 2010, they were 17 percent above the market; and in 2011, they were 6 percent above the market.

FMIP is funded with member premiums and an allotment from the Department of Health and Human Services as a result of the Patient Protection and Affordable Care Act. Funds from the federal allotment for the program period starting July 2010 and extending through December 2013 are forecast to serve 4,000 members with peak enrollment reaching 2,000.

OMIP/FMIP staff includes 7 positions and 6.50 FTE.

Program future and expected results in 2013-15

The FMIP program is available until 2014. In 2014, federal law will prohibit insurance companies from refusing to sell coverage or renew policies because of a person's pre-existing condition. Also starting in 2014, individuals whose employers don't offer them insurance will be able to buy insurance directly in the Oregon Health Insurance Exchange. The federal government is developing plans for transitioning federally funded high-risk pool program enrollees to Exchanges in 2014, and is expected to release those plans in September 2012. The FMIP program budget will incorporate those plans in the Governor's Recommended Budget.

The OMIP program is also impacted by the prohibition in 2014 of insurance companies from refusing to sell coverage or renew policies because of a person's pre-existing condition. The future of the OMIP program in this new environment is currently under review by the OMIP Board, and a variety of options are under consideration, including expanding the Children's Reinsurance Program, and

closure of the OMIP program following completion of the claims runout period. The Board recommendation will be presented either in the Governor's Recommended Budget or during session.

The expected results for the OMIP and FMIP program for the period prior to changes described above are as follows:

- Enhance case management and disease-management programs to better control quality of care and manage medical-service utilization and costs for seriously ill enrollees.
- Work with the National Association of State Comprehensive Health Insurance Plans to develop new strategies to expand prescription drug discounts.
- Provide incentives to enrollees to use less expensive evidence-based prescriptions.
- Expand the number of enrollees who participate in disease management program services.
- Improve the ability to identify highest risk enrollees and provide interventions to avoid use of costly medical services.
- Enhance communication strategies to increase awareness and understanding of the program among enrollees, insurance agents, other state or federal agencies, providers, other state high-risk pools, the general public, and other interested parties.
- Broaden the base of the assessment OMIP collects from insurers, to make it more equitable.

Information, Education and Outreach

The Information, Education and Outreach (IEO) unit supports the Oregon Health Authority's mission of helping uninsured Oregonians receive health benefit coverage, by:

- Helping Oregonians make informed choices to meet their health care needs.
- The unit educates consumers to better understand the importance of health insurance, preventive care, and how to use the health care system appropriately and affectively.
- Partnering to increase awareness and maximize resources
- Partnerships are key to creating broad and consistent awareness of OPHP programs. Working with private-sector groups, such as producers and

employers, allows the unit to expand its outreach and maximize collaborative resources.

- Reducing barriers to health insurance by promoting programs available to uninsured Oregonians.
- The unit provides uninsured Oregonians program information, eligibility requirements, and a trained insurance producer if needed, helping them better understand how to navigate the system, and intentionally access programs that meet their needs.

Private-public program design

The Information, Education and Outreach (IEO) unit builds partnerships with private-sector businesses, health care professionals, member associations, community organizations, non-profits, carrier marketing staff, insurance producers, and other state agencies, to train and educate stakeholders and community members on the benefits and processes associated with Oregon’s state insurance programs.

One of the primary partners is the health insurance producer. Each month, the Insurance Division licenses over 150 new producers with a health care specialization and there are more than 1,900 insurance agencies in Oregon with producers who specialize in health insurance. When trained, these professionals extend outreach and awareness of OPHP programs like FHIAP and OMIP, as well as other state programs, such as the Oregon Health Plan, Healthy Kids, Healthy KidsConnect and the Oregon Prescription Drug Program.

Insurance producers also help members by explaining the costs associated with insurance, helping them apply to an insurance company, and explaining what is covered under the plan. This saves the member time and eliminates confusion often associated with navigating the system alone.

The unit provides producers detailed training related to:

- Program application processes;
- Becoming a referral agent to assist members with completing their application;
- How to help reduce application “pends;” and
- How a producer can help expedite the insurance plan enrollment process.

The Information, Education and Outreach (IEO) unit also trains and assists businesses to better understand state programs that support employer-sponsored insurance enrollment. When an employer's insurance plan meets the criteria for FHIAP or HK ESI subsidies, IEO works with employers to educate their workforce on the value of enrolling their families into their employer's plan, and assists employees with the state program enrollment process.

A third and critical partnership exists between staff and the contracted insurance carrier marketing personnel. OPHP's outreach and training team assists in the production of marketing and customer education materials for carriers who manage the plans for state programs. These carriers have close relationships with insurance producers, strengthening OPHP's position as a viable option for those who qualify for private market plans and employers whose plans meet the guidelines.

The Information, Education and Outreach (IEO) unit partners with the community by serving as a centralized resource for information on health insurance, state insurance subsidy programs, employer health insurance assistance and more. Information is available online and through other electronic resources. Staff are a ready resource for carriers, employers, producers and health insurance customers.

Targeted education and outreach programs

Unit staff help increase access to health insurance and health care by assisting consumers, employers, health insurance producers, human resources staff and other industry specialists to better understand state programs and services, and how to enroll and utilize services.

Producer referral program

Unit staff trains insurance producers on general health insurance information and about state programs that help insure Oregonians, as well as the changes in state insurance law. OPHP's Producer Referral Program meets the requirements of OAR 442-005-0110, requiring the agency to train health insurance producers on state health insurance programs so they can assist consumers seeking help in the purchase of individual health plans.

Licensed health insurance producers must attend an agency-sponsored training seminar and sign an agreement to participate in the program. Staff members link the general public with a producer in their regional service area. Referrals are

assigned on a rotating basis to provide producers with an equal opportunity for the business.

Professional continuing education (CE)

Unit staff collaborate with professional industry associations to customize health insurance training and health care curriculum to meet professional association members' continuing education requirements. Staff then ensure the curriculum meets standards by working with the Insurance Division and association management staff to certify the training materials. These industry professionals are key influencers of consumers in the purchase of health insurance. In general, one trained agent and one trained human resource specialist can assist dozens of clients and employees in navigating the path to enrollment.

OPHP has developed low-cost informational webinars and continuing education programs with the National Association of Insurance and Financial Advisors (NAIFA) Oregon, Oregon Association of Health Underwriters (OAHU), Society for Human Resource Managers (SHRM), and others.

Statewide seminars provide these professionals with information about:

- The latest state and federal regulatory changes and reforms;
- OPHP programs;
- Public health benefit programs, including the Oregon Health Plan and the Oregon Prescription Drug Program;
- Non-traditional and non-insurance-based health care resources, such as rural or safety net clinics and public health departments;
- Group and individual markets; and
- Producer regulatory requirements.

Education and outreach

In addition to continuing education seminars and informational webinars, the Information, Education and Outreach (IEO) unit has provided quarterly training to Oregon Department of Human Services (DHS) staff and monthly training to the agency's contracted outreach workers. Staff also share information on agency programs at industry conferences and outreach events.

Staff routinely present at civic organization membership meetings, such as Chambers of Commerce and Economic Development Councils. These business-focused groups bring together key members of business and local community

leadership, helping disseminate its message and information broadly in a small, targeted setting.

Promotional and educational materials

Staff support enrollment and education activities for FHIAP, OMIP, Healthy Kids Connect and other state programs through training and development of promotional materials. Staff develop targeted materials, such as employee brochures, an employer guide (recognized as a model document by the U.S. Department of Health and Human Services), program member newsletters and “How to Apply” sheets. Many of these materials are available in several languages, including Spanish, Russian and Vietnamese.

Electronic communication tools

The Information, Education and Outreach (IEO) unit maintains several websites and is in production for an online Health Insurance Learning Center (LC). The user-friendly health information site will explain health insurance to consumers and employers and provide streamlined access to forms, support materials and other state resources. Program and agency e-newsletters are sent quarterly to employers, producers, legislators, health care industry professionals and others. Tools such as a talking application wizard (visually walks and talks a person through filling out the FHIAP application), a program screening tool and other resources have been developed to help consumers navigate information and processes.

Expenditures and revenues

The Information, Education and Outreach (IEO) unit is funded through state General Funds and miscellaneous Other Funds obtained through interest revenues on the agency’s Other Funds treasury balance. As Other Funds are used, the interest revenues available for this unit will decline.

The program funds one full-time permanent position (1.00 FTE).

Program Future and Expected Results in 2013-15

The future of the program is primarily dependent on the future of the OPHP programs it serves, and the program will be adjusted accordingly either in the Governor’s Recommended Budget or during session.

The expected results for the program for the period prior to changes described above are as follows:

- Develop cost effective tools to reach a broader audience.
- Inform all Oregonians about what services are available and how to access them.
- Influence utilization of services.
- Help employers and families maneuver through the health care system.
- Develop innovative ways to perform outreach and provide education related to federal health care reform and OHA's statewide reform efforts.
- Improve communication with minority populations.
- Train and educate Department of Human Services (DHS) and Oregon Health Authority (OHA) staff, as well as other state employee staff, employers, carriers, producers, stakeholders, and the general public on health insurance options available to residents of the state.
- Explore ways to develop and improve on-line access to agency programs and basic health insurance information for consumers.
- Develop and refine new publications that reflect the changing health insurance marketplace in Oregon.
- Develop and refine new and low-cost ways to communicate to various stakeholders and the public through innovative methods such as e-mail, Web on-line access, webinars, interactive online learning, and other technologies as they emerge.