

FREQUENTLY ASKED QUESTIONS ABOUT THE IMPLEMENTATION OF THE OREGON TRANSITIONAL REINSURANCE POOL

The Oregon Transitional Reinsurance Pool (OTRP) was established in the Oregon Health Authority by HB 3458 passed by the 2013 Oregon Legislature. The 2014 Oregon Legislature passed SB 1582, further modifying OTRP to allow coordination with the Federal Reinsurance Program.

The program is administered by the Oregon Medical Insurance Pool (OMIP) Board, created in ORS 735.610. The program is designed to stabilize the rates and premiums for individual health benefit plans and provide greater financial certainty to consumers of individual health insurance in Oregon by providing state reinsurance payments to individual health benefit plan issuers. The program will provide the rate stabilization by mitigating health insurance premium increases that result from the implementation of the federal Patient Protection and Affordable Care Act (ACA) and state health reform legislation. OTRP will supplement the federal reinsurance program and help pay for high claims costs associated with persons moving from previous programs for high risk individuals; OMIP, The Federal Medical Insurance Pool (FMIP), The Children's Reinsurance Program (CRP) and Portability Insurance, into the January 1, 2014 newly guaranteed issue individual health insurance market. The reinsurance payments are funded from the assessments collected from the entire health insurance market.

This document provides the answers to the questions most frequently asked by insurers and provides some information about the legislation passed in 2013 and 2014. This document includes the most up to date information available to staff as of March 15, 2016.

What amount was assessed in 2015?

In May 2014, the OMIP Board reduced the maximum 2015 Assessment from the statutory maximum of \$3.50 per member per month to \$2.65 per member per month. The OMIP Board voted to assess \$2.65 per member per month for 2015.

When was the 2015 assessment payment collected?

The 2015 assessment was processed before the end of 2015. Insurers should have already paid that assessment.

Will there be a 2016 assessment as allowed by statute?

No assessment will be collected in 2016. Since the Oregon Transitional Reinsurance Pool payments were intended to compliment the Federal Reinsurance Pool to pay a predetermined level of claims, the increase in Federal payments reduced the need for payment from the Oregon Transitional Reinsurance Pool. Further, since less money is needed for the Oregon Transitional Reinsurance Pool

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payments, based on the changes to the Federal Reinsurance Pool, less money needed to be collected in assessments.

How lives are determined eligible for reinsurance payments?

The lives eligible for reinsurance in this pool are those who were insured in OMIP, various carrier Portability Plans and the CRP on December 31, 2013 and the lives insured in FMIP on June 30, 2013. Additional criteria required this population to also become insured in ACA compliant plans in the individual market during the initial open enrollment period which ended March 31, 2014 and the "Special Enrollment Period" for the month of April 2014. Enrollment must have been effective on or before July 1, 2014. In addition, a life eligible for reinsurance must have remained insured in the individual market, without a break in coverage exceeding 90 days. All criteria must be met for a life to be eligible for OTRP reinsurance. Unlike the Federal reinsurance program, the OTRP eligible lives are a subset of the total lives insured in the individual health insurance market.

How many lives may be eligible for reinsurance payments?

There are 24,049 reinsurance eligible lives. OTRP staff has assigned a unique identifier to each life identified as possibly eligible for reinsurance. Of the 24,049 total lives, approximately 5,700 appear to have enrolled in Medicaid. Those lives are not eligible for reinsurance payments while enrolled in Medicaid. If those lives return to the individual health insurance market, they will become eligible for reinsurance as long as there is no break in coverage longer than 90 days.

What is the 2015 attachment point for the Oregon Transitional Reinsurance Pool?

The attachment point is \$37,500 for 2015.

What is the 2016 attachment point for the Oregon Transitional Reinsurance Pool?

The OMIP Board will establish the 2016 attachment point later this year, staff recommended the \$50,000 attachment point suggested by the Oregon Insurance Division Technical Advisory Group (TAG).

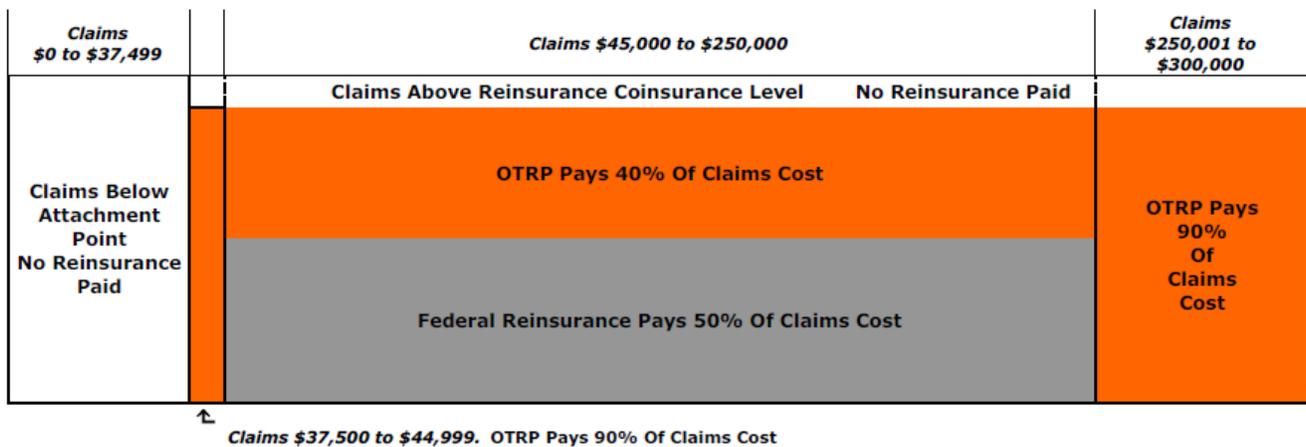
What is the 2015 coinsurance amount for the Oregon Transitional Reinsurance Pool?

From the Oregon Transitional Reinsurance Pool attachment point of \$37,500 to the national attachment point, currently \$45,000, the coinsurance rate is 90 percent. From the national attachment point and up to and including the national

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reinsurance cap, currently \$250,000, the state coinsurance rate depends on the coinsurance rate declared by the Federal Reinsurance Pool. If the national coinsurance rate is at or above 90 percent of the claims costs, the Oregon Transitional Reinsurance Pool will not make any reinsurance payments. If the national coinsurance rate is below 90 percent of the claims costs, the Oregon Transitional Reinsurance Pool will pay the difference between 90 percent of the claims costs and the national coinsurance rate, but no more than 40 percent. From the national reinsurance cap, currently \$250,000, to the state reinsurance cap, \$300,000 in 2015, the coinsurance rate is 90 percent of the claims cost. The Federal Government will declare the Federal Coinsurance rate later this year. Once the Federal coinsurance rate has been determined, OTRP will advise insurers what coinsurance, if any, will be paid by OTRP between the national attachment point and national reinsurance cap.

Oregon Transitional Reinsurance Pool 2015 Payment Illustration



What is the 2016 coinsurance amount for the Oregon Transitional Reinsurance Pool?

The OMIP Board will establish the 2016 coinsurance later this year

How will Reinsurance Eligible lives be identified for 2015?

The OTRP program will ask insurers for enrollment data for all lives who were insured, at any time, in an ACA compliant individual health benefit plan during 2015. OTRP staff will identify lives eligible for reinsurance for each carrier. To do this identification, OTRP will send a data request showing which data elements are required and will ask that the information is returned within 30 days. Forward the data by secure email as soon as possible or **by April 18, 2016** to:

Cindy.Lacey@state.or.us. If you need additional time to prepare the file please advise Cindy.

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Are lives eligible for Medicare eligible for reinsurance?

If an insurer has OTRP identified lives that may be Medicare eligible, those lives are eligible for reinsurance payments; if they are not enrolled in Medicare and are enrolled in an ACA compliant individual health plan.

There are specific exception criteria that allows someone to choose to enroll in an ACA compliant individual plan instead of Medicare. Exceptions are determined during the eligibility process by the Marketplace or carrier.

- A member can choose an individual plan if they are eligible for Medicare but have not enrolled because member would have to pay a premium for Part A, or because member is not collecting Social Security benefits.
- If a member is paying a premium for Part A, they can drop Part A and Part B coverage and get an individual plan.
- If member does not have five years documented legal resident status to qualify for Medicare or Medicaid, they may be able to get an individual plan.

Again, for those OTRP identified lives that are actually enrolled in an ACA compliant individual health plan, reinsurance payments can be made. If an insurer has additional 2014 claims that would be eligible for reinsurance payments given this information, those claims should be submitted when the 2015 claims data is submitted.

Are lives enrolled in Medicare eligible for reinsurance?

Lives actually enrolled in Medicare are not eligible for reinsurance payments.

When will Insurers be asked to submit 2015 claims data?

Expect to see a request for claims data in mid-2016; after the Federal Coinsurance rate is determined by CMS.

What data elements will be required?

OTRP will send a data request showing which data elements are required and will ask that the information is returned within 30 days

Aggregate data will be requested, detailed transactions must be available for audit purposes to support any data submitted. A signed attestation must be submitted on company letterhead with the claims data file.

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When will OTRP payments be made for eligible claim costs from 2015?

We expect to process OTRP payments prior to the end of 2016.

What happens if there are additional claims adjudicated after the request for 2015 data?

The OTRP program expects to make one annual reinsurance payment in 2016 and in 2017. If additional claims are processed after the yearly data request, those claims will need to be identified and submitted in subsequent yearly data requests. If there are additional claims for 2014, that data should be sent at the same time the 2015 claims data is submitted. Claims incurred in calendar year 2016 will be the last year available for reinsurance payments.

What will happen if the funds available to pay claims are less than the amount of claims?

The legislation provides authority for the OMIP Board to reduce the coinsurance rate paid to insurers to keep the claims paid within the available funds.

When does the OTRP program end?

All program activity and reinsurance payments must be processed before July 1, 2017.

How can I get additional information about the implementation process or provide input?

For more information, you may contact Craig Urbani, Oregon Transitional Reinsurance Pool (OTRP) Program Manager. You may reach Craig by telephone at 503-947-2320 or by E-Mail at craig.urbani@state.or.us.

You may also contact Cindy Lacey, OTRP Operations and Policy Analyst by telephone at 503-945-6795 or by E-mail at cindy.lacey@state.or.us.

A copy of Enrolled HB 3458, the 2013 legislation, is available here:

<https://olis.leg.state.or.us/liz/2013R1/Measures/Text/HB3458/Enrolled>

A copy of Enrolled SB 1582, the 2014 legislation, is available here:

<https://olis.leg.state.or.us/liz/2014R1/Measures/Text/SB1582/Enrolled>