

Office of Private Health Partnerships

The Office of Private Health Partnerships (OPHP) was created as the Insurance Pool Governing Board in 1987 and was intended to help reduce the number of uninsured Oregonians. The agency was renamed in 2006. Its mission, in support of Oregon's Triple Aim, is:

Building partnerships with employers, insurers, (producers) consumers and the public sector to maximize resources, share costs and provide access to quality healthcare for all Oregonians.

In July of 2009, OPHP began transitioning into the Oregon Health Authority as detailed in House Bill 2009 passed in the 2009 Legislative Session.

Overview of OPHP Programs

OPHP administers five programs that work collaboratively to break down access barriers, assist with healthcare costs, and educate program members, general public, and the health industry. These five OPHP programs are closely connected, working across program lines to share talent, technologies, and other resources to accomplish the shared mission of the organization. This linkage between the programs creates efficiencies, and expands the capability of each of the individual programs. The combined administrative cost of the OPHP programs is under 6 percent. The OPHP programs are as follows:

Family Health Insurance Assistance Program

The Family Health Insurance Assistance Program (FHIAP) helps uninsured, income-eligible Oregonians afford private health insurance. The program pays a portion (via subsidy) 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 income. HKC 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. Healthy KidsConnect also administers the part of the Healthy Kids program that helps families pay for an insurance at work, if an employer plan is available. Like FHIAP, an HKC member’s monthly subsidy assistance decreases as the member’s annual income increases. Families with higher income (over 300 percent FPL) 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

Oregon Medical Insurance Pool (OMIP) and the Federal Medical Insurance Pool (FMIP) offer guaranteed issue health insurance coverage for individuals who are unable to obtain medical insurance because of health conditions, regardless of income level. Both programs provide vital health security for people that would not otherwise have access to health insurance and care. OMIP also provides a way to continue insurance coverage for those who exhaust COBRA benefits and have no other options.

Information, Education and Outreach

The Information, Education, and Outreach (IEO) program supports the OPHP mission by establishing and maintaining relationships with private and public sector partners: training insurance producers (agents), industry professionals, civic groups, and employers; and educating consumers and stakeholders on the healthcare delivery system and state programs.

OPHP’s Target Populations

Over 75 percent of the uninsured in Oregon are below 300 percent of the federal poverty level. Of this group, more than 65 percent had incomes of greater than 100 percent of the federal poverty level, and many are not eligible for Medicaid funded programs. For some people, health insurance is not available in the commercial market due to pre-existing and/or chronic conditions, regardless of their income level. Combined, these two groups account for more than 80 percent of Oregon’s

uninsured, or about 500,000 people, and they are the primary populations served by the Private Health Partnerships programs.

As a group, the population served by the Private Health Partnerships programs is differentiated from those on the Oregon Health Plan and other assistance programs. More of the members enrolled in the OPHP programs are employed, with over 25 percent of the population having access to employer-sponsored insurance. Additionally, all of the participants in the OPHP programs are required to contribute on a range from 5 to 100 percent towards the cost of their own health insurance premiums, in addition to copays, deductibles, and other costs.

The Need to Address Uninsurance in Oregon

According to the Office for Oregon Health Policy and Research, approximately 15.1 percent of the nation lacked health insurance in 2008. There is a large variation in uninsurance rates among the states. Oregon's rate of uninsurance is 16.5 percent, which ranks it 34th in the nation and equates to approximately 600,000 people without health insurance in Oregon.

The costs of uninsurance are high, and they impact all Oregonians, including the insured. The insured are impacted by costs in the form of higher premiums. Insurance companies see higher costs shifted to them by the provider community from uncompensated care often delivered through the emergency care system. As the rate of the uninsured increases, the costs shift to a smaller population of insured individuals and companies in the healthcare system. One of the primary drivers behind the recent Federal legislation, which mandates that an insurance exchange be established by January of 2014, was the need to address the costs of uninsurance.

The Strategy of Private/Public Partnerships

Addressing the issue of uninsurance requires significant resources. The Office of Private Health Partnerships operates on the principle that bringing together the resources of insurers, employers, consumers, and the public sector in partnership to reduce the rates of uninsurance in Oregon is a cost-effective approach. Through these partnerships, the programs of OPHP address the primary drivers of uninsurance, which are cost, availability, and a lack of information about the healthcare system.

According to the Office for Oregon Health Policy and Research, approximately 85 percent of those with health coverage receive it through the through private health

insurance market. The remaining 15 percent of the insured population receive their health insurance through a public plan like a Medicaid managed care plan or Medicare coverage. Of those that receive state assistance, only about 4 percent receive that assistance through Oregon's private insurance market.

In states like Massachusetts, where an insurance exchange exists, a higher rate of public assistance comes through the private insurance market. Uninsurance rates are kept low by utilizing the existing private health insurance marketplace, via the exchange. By leveraging the resources of multiple participants, including the consumer, the cost of achieving a lower rate of uninsurance does not overwhelm public resources. While being much smaller in size and scope, the programs of OPHP operate on these same principles as they attempt to address Oregon's high rate of uninsurance.

Private Health Partnerships Guiding Principles

Support Oregon Health Authority's 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, as well as subsidies, to 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

Provide Healthcare Access through Health Insurance Coverage

Through subsidy assistance and through cost sharing, OPHP programs help make health insurance more affordable for its members. The FHIAP program offers subsidy assistance ranging from a 100 percent subsidy for children whose family income is through 200 percent of the Federal Poverty Level (FPL) to a 50 percent subsidy for adults with incomes from 170 and through 200 percent of the FPL. Healthy KidsConnect offers subsidies of 85, 90, and 100 percent to kids with family incomes through 300 percent FPL. OMIP and FMIP in particular provide access to comprehensive health insurance coverage for those with chronic health conditions who cannot obtain commercial or public sector coverage, along with those who have exhausted other options.

Provide Healthcare Information and Choice

As detailed in ORS 735.702, the Legislature has charged OPHP with providing information about health benefit plans and the premiums charged for those plans, and to be a central source for information about resources for health care and health insurance. OPHP training seminars, publications, and Web site provide valuable information, education, and serves as a resource for members, insurance agents, carriers, other state agencies, stakeholders, and the public.

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

Partner to Share Resources and Costs

All participants, including insurers, employers, consumers, and the public sector have resources that can help to reduce the number of uninsured Oregonians, and provide improved care. The programs of the Office of Private Health Partnerships are designed to leverage these available resources.

Partner to Develop and Implement

OPHP has demonstrated the ability to develop public-private partnerships in response to the changes required in state and federal healthcare reform.

- The implementation of OMIP in 1990 was a major state reform that created a health insurance option for individuals who could not obtain commercial insurance because of their pre-existing medical conditions. This program contracts with a large Oregon insurance company to serve as the third party administrator for the day-to-day operations of the coverage, including claims administration, customer service, enrollment and billing, eligibility determination, case and disease management, and provider network contracting.
- In 1997, the implementation of the FHIAP program provided premium assistance to individuals whose incomes were below 185 percent of the federal poverty level but had too much income to

qualify for coverage under the Oregon Health Plan. Individuals can use these subsidies with group and individual private sector health insurance plans that meet state or federal benefit coverage benchmarks. They also can use them for OMIP or FMIP coverage if their pre-existing medical conditions prevent them from obtaining private sector individual coverage.

- In 1998, the implementation of the state alternative mechanism for portability included the creation of OMIP portability coverage for individuals who did not have access to commercial portability coverage. Most of those who qualify are individuals whose former employer is self-insured. The private-sector third party administrator for OMIP also administers the portability coverage.
- In 2004, implementation of the federal Health Coverage Tax Credit program (HCTC) provided coverage under OMIP for individuals who qualified for federal premium subsidies because they lost their jobs due to foreign trade or they were covered under the Pension Benefit Guaranty Corporation because their employer declared bankruptcy.
- In February 2010, the implementation of the Healthy KidsConnect program provided access to guaranteed-issue commercial health insurance coverage, comparable to that provided in the CHIP program, for children up to age 19 in households with incomes above 200 percent of the federal poverty level (FPL). OPHP contracts with five 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 between 200 and 300 percent FPL.
- In July 2010, the implementation of the federal high risk pool, the Federal Medical Insurance pool (FMIP), provided a federally supported high risk pool option for legally present residents 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 the portability coverage.

Create a Path to Health Security and Independence

By reducing cost, improving access, and sharing health information, OPHP programs help to 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.

Optimize Operational Flexibility

OPHP relies on strong partnerships and the flexible management of program resources to develop, implement, and manage programs. The two new programs in 2010, Healthy KidsConnect, and the Federal Medical Insurance Pool (FMIP), were built using these elements. As OPHP becomes a part of OHA, it will continue to work across programs and with its partners to develop and implement the changes required in federal healthcare reform. As a part of OHA, OPHP will continue to partner with the programs of the Oregon Health Plan.

Family Health Insurance Assistance Program

The Family Health Insurance Assistance Program (FHIAP) was established by the 1997 Oregon Legislature. The FHIAP program supports the mission of the Office of Private Health Partnerships by:

Assisting income-eligible families and individuals in their pursuit of health security and independence by providing premium subsidies and connecting them with private health insurance carriers and options.

The FHIAP program supports Oregon Health Authority's Triple Aim by providing health insurance premium assistance to those that would not be able to afford health insurance on their own, reducing the number of uninsured, and encouraging a healthy Oregon by helping its members access quality medical providers.

FHIAP Guiding Principles

Creating a Path to Healthcare Independence

FHIAP offers monthly premium subsidy assistance to adults on a sliding scale, ranging from 95 to 50 percent. All children under the age of 19 are subsidized at 100 percent regardless of income. The adult members' monthly premium assistance decreases 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 healthcare for the uninsured, reducing the number of uninsured at a minimum cost to the public.

Providing Healthcare Choice

The FHIAP program offers members numerous health insurance plan choices. Each plan includes a healthcare provider network that offers members the opportunity to select their care provider. Providing members with the choice to change providers if they are unhappy with their care helps to ensure that they 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. Members can select

the plan, weighing access and cost, that best fits their family's medical and financial needs.

Partnering to Share Healthcare 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. At some income levels there are gaps between the cost of health insurance and what people can afford to pay. FHIAP addresses these gaps.

Private/Public Program Design

Commercial health insurance is the primary private sector partner of the Family Health Insurance Assistance Program. Because of this partnership, the program structure provides a three-prong approach between government, the commercial market and consumers for providing health care to the uninsured. FHIAP pays a portion of a member's monthly health insurance premium that is purchased through:

- Their employer, if available; or
- An individual market commercial 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 this coverage. To leverage private sector dollars, the Family Health Insurance Assistance Program statutes require members to enroll in employer coverage when available, therefore reducing taxpayer costs and increasing program capacity, allowing more families to receive premium assistance.

When employer insurance is not available, the program subsidizes individual market insurance premiums. The Family Health Insurance Assistance Program works with seven of the largest domestic individual market carriers in Oregon, including the Oregon Medical Insurance Pool, another program administered by the Office of Private Health Partnerships.

Uninsurance requirement: The Family Health Insurance Assistance Program requires that members be without health insurance for at least two months in order to be eligible for the program. The period of uninsurance (POU) is intended to reduce the number of Oregonian's without health insurance by targeting only

uninsured individuals and to discourage people from dropping their existing coverage in order to join the subsidy program.

Who FHIAP Serves/Program Delivery

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

Adults in FHIAP are eligible for premium assistance only if all eligible children in the family are covered by health insurance in the commercial market or by the Oregon Health Plan/Oregon Healthy Kids programs. Also, the premium assistance is 100 percent for all children through 200 percent of the federal poverty level.

FHIAP 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 all qualify for group insurance, but with at least one who does, are placed on the group reservation list.

In August 2010 there were more than 45,000 people on the Family Health Insurance Assistance Program reservation list. This is the second time in the program's history that the reservation list has reached more than 40,000 lives. Of the nearly 45,000 on the list in August, about:

- 25,000 were adults;
- 15,000 were children; and
- 10,000 said they have access to employer-sponsored (group) insurance.

These reservation list figures compare with the current enrollment figures of approximately 7,200 members as of August 2010. Of these, approximately 3,200 were enrolled in employer-sponsored insurance, and approximately 4,000 were enrolled in individual coverage.

To align with eligibility criteria in some Oregon Health Plan programs, Family Health Insurance Assistance Program families have gross monthly incomes up 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 August 2010, the FHIAP population was composed of the following enrollees by poverty level.

- Approximately 30 percent of members (group and individual) were at or below 100 percent of the poverty level;
- Approximately 30 percent of members were between 100 and 125 percent of the poverty level.
- Approximately 40 percent of the members were between 125 and 200 percent of the poverty level.

Improvements, Efficiencies

The FHIAP program works actively to promote improvements and efficiency in the program. These activities range from improving the application process for the members, to sharing resources between programs to reduce administrative costs for the State. Combined, the OPHP administrative costs are under 6 percent.

In a continuing effort to improve the program and increase efficiencies during the last biennium, FHIAP did the following:

- Simplified the Family Health Insurance Assistance 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 Kids program;
- Trained Healthy Kids staff on eligibility and insurance.

Expenditures and Revenues by Fund Type/Positions

The Family Health Insurance Assistance Program is funded through State General Fund appropriation, Federal funds, Miscellaneous Other Funds, and the Insurer's Tax.

As part of the Oregon Health Plan demonstration waiver, the premium assistance program received Other Funds from federal matching funds received for Medicaid (Title XIX) and the State Children's Health Insurance Program (Title XXI) match through the Department of Human Services, Division of Medical Assistance Programs (DMAP). Additionally, the FHIAP program receives a small portion of the Insurer's Tax to provide subsidies for children.

The ARB budget includes 41 positions and (40.86) FTE to maintain the program.

Program History

1997 – The Oregon Legislature, in bi-partisan fashion, created the Family Health Insurance Assistance Program to serve uninsured Oregonians who make too much money to qualify for state Medicaid programs but not enough to afford commercial insurance on their own. The program was implemented in July of 1998.

2001 – The Oregon Legislature authorized the Department of Human Services to apply to the federal government for a waiver. The waiver accomplished several things, including:

- Expanding the FHIAP program population. The premium assistance program was included in the waiver request to:
 - Utilize the provider networks established by the carriers for healthcare delivery.
 - Leverage employer financial contributions by requiring members to enroll in employer-sponsored coverage when available; and
 - Support working Oregonians who can't obtain insurance through their employer.
 - Gain access to Federal Funds for subsidy assistance to the FHIAP enrollees.

2003 – With the approval of the waiver, FHIAP was able to leverage \$14.5 million in General Fund to access \$33 million in Federal Funds for the 2003-05 budget.

2010 - As a part of the Governor's Healthy Kids Plan, FHIAP obtained federal approval to begin subsidizing 100 percent of the premium for all children, and expanded eligibility to include applicants from 185 to 200 percent of the federal poverty level. Additionally, FHIAP began working with SEIU on subsidy assistance for childcare workers who cannot afford their employer-sponsored coverage. The FHIAP program expects to end the 2009-11 biennium with approximately 10,000 enrollees and 50,000 people on the waiting list.

Expected Results in 2011-2013

- The Family Health Insurance Assistance Program will continue to support Oregon Benchmark #55 by extending coverage to Oregon's uninsured population, to the maximum extent of available funding.
- Program staff will continue evaluating policies and procedures, looking for ways to further streamline internal operations and requirements placed on applicants and members.
- Program management will periodically review operations to continually improve efficiencies.
- The program will continue coordinating where necessary with the Healthy Kids Connect program.
- The program's information technology staff will continue working 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 has and will continue to employ measures to enhance quality control through:
 - Database enhancements, and
 - Staff reassignment to perform increased quality assurance reviews.

Healthy KidsConnect

The Healthy KidsConnect program was established with the passage of HB 2116 and signed into law on August 4, 2009. HKC aligns with the Office of Private Partnerships mission by:

Assisting families gain access to comprehensive insurance coverage for uninsured children by providing premium subsidies and partnering with the private-market carriers to deliver services.

HKC is the commercial insurance component of Healthy Kids, Oregon's plan to offer health care coverage to all uninsured children age 18 and under. Healthy Kids was established with the goal to enroll 95 percent of Oregon's uninsured children with family income at or below 300 percent of the federal poverty level. HKC 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.

HKC Guiding Principles

Expanding Access to All Oregon's Uninsured Children

HKC creates a path for all families to access health care insurance for their children. HKC offers sliding scale subsidies for families whose income is above 200 and up through 300 percent of the Federal Poverty Level (FPL). Expanding coverage to this previously under-served population provides opportunity for children to receive comprehensive health coverage. Families over 300 percent FPL pay full cost of insurance premiums.

Providing Health Care Choice

Families enrolling children in HKC have provider choice. Each plan includes a healthcare 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

HKC 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.

Private/Public Program Design

HKC's program structure creates a partnership among the commercial market, government, and consumers to provide health care for uninsured children.

Healthy KidsConnect manages the Request For Proposal process for the HKC private-market health plan options. Currently, HKC contracts with five 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. HKC expands coverage options to additional income levels, removes barriers to accessing health care coverage, and builds on existing programs already available to Oregon families.

Who HKC Serves/Program Delivery

HKC helps families that earn over 200 up through 300 percent of the Federal Poverty Level by paying a portion of their part of the monthly health insurance premium, 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.

The Office of Healthy Kids is leading Oregon's Healthy Kids effort in collaboration with the Department of Human Services (DHS), the Office of Private Health Partnerships (OPHP), the Office for Health Policy and Research (OHPR), five 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 that "every kid is a Healthy Kid" and a seamless transition for children into health insurance coverage, regardless of income level.

Statewide branding and community partner-based outreach is coordinated by the Office of Healthy Kids, and features Certified Application Assistors and targeted grantees that help families apply to the program.

Once an application is received, DHS determines eligibility based on program rules and guidelines. Applicants who meet eligibility for the Healthy KidsConnect program are forwarded to OPHP and are provided with their choices to enroll in HKC. OPHP administers HKC health insurance plans and member reimbursement for employer-sponsored insurance (ESI) benefits available through the family's employer.

OPHR leads the evaluation of Healthy Kids and Healthy KidsConnect being done through a contract with Portland State University's Center for Outcomes Research and Education (CORE) team. This evaluation will provide valuable data, outcomes, and trend analysis to shape the program as it grows.

One of the key performance measures for HKC is customer satisfaction with their experience with the private market carrier that provides their child's HKC or HKC/ESI insurance. The performance measure selected is that over 90 percent of customers rate their experience with the carrier as "Good" or "Excellent" on a satisfaction survey.

An important measure of health care affordability is the consumer's out of pocket expenses. To ensure that the HKC insurance is affordable for lower income families (those who are 300 percent FPL or below), OPHP has set an out of pocket limit of five percent of the family's annual income. If a subsidized HKC family reaches that five percent limit, OPHP will pay expenses over that amount. The out of pocket expenses includes monthly premium, co-pays, co-insurance, and any other expense related to health care and incurred under the insurance plan.

Expenditures and Revenues by Fund Type/Positions

Healthy KidsConnect is funded with a combination of Federal Funds and Other Funds (Insurers' Tax), increasing the amount of federal dollars available to the state. Approximately 74 percent of HKC expenditures are Title XXI (CHIP) funds, with the balance matched with Insurers' Tax collected through a one percent tax on private market health insurance premiums.

The ARB Budget includes 36 positions and 35.64 FTE for maintaining the program

Program History

2009

- **June:** Oregon Legislature passed House Bill 2116, creating Healthy Kids and its private market option (Healthy KidsConnect) for those earning over 200 FPL.
- **July:** OPHP wrote and distributed RFP for private market carriers.
- **August:** Governor signed HB 2116 into law.
- **September:** Carrier RFP closed.
- **October:** OPHP published intent to award "selected" carriers.
- **December:** OPHP held carrier contract negotiations.

2010

- **January:** Five private insurance carrier contracts signed for Health KidsConnect.
- **February:** Healthy KidsConnect opened for enrollment.

HKC Expected Results in 2011-2013

- Continue the implementation of the private/public partnership of the Healthy KidsConnect model, or “mini-exchange” for children. This partnership could serve as a similar model for adults as a larger insurance exchange is planned and implemented.
- 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 between DHS and OPHP for movement between programs when necessary.
- Achieve excellent scores on two key performance measures: customer satisfaction with private market health insurance carriers; and percentage of families who do not exceed their out of pocket expense limit.

Oregon Medical Insurance Pool

The Oregon Medical Insurance Pool (OMIP) was established by the Oregon Legislature in 1987 as the high-risk health insurance pool for the state. OMIP is aligned with and progressively pursues the Office of Private Partnerships mission by:

Reducing the state's uninsured rate by providing health insurance options to people who would otherwise be without coverage. The pool also protects enrollees by providing coverage for their expensive chronic diseases.

OMIP provides medical insurance coverage for all Oregonians denied adequate medical insurance coverage because of current or prior health conditions. OMIP also provides a way to continue insurance coverage for those who exhaust COBRA benefits and have no other options. In 2010, as a part of Federal healthcare reform, OMIP staff developed and implemented the Federal High Risk Pool (FMIP). The budget for FMIP is contained within the OMIP program budget.

OMIP/FMIP Guiding Principles

Providing Access for Oregon's Uninsurable

OMIP serves the highest medical risk individuals in the state that would otherwise not have access to health insurance because they're turned down for coverage in the commercial market due to preexisting health conditions.

Maintaining Plan and Provider Choice

OMIP provides four health benefit plans to accommodate the financial circumstances of individual enrollees. The plans differ primarily in their deductible amounts and other out-of-pocket costs which allow varying premium amounts among the four plans.

Promoting Health Management

The program has many years of success in providing necessary resources, such as disease, pharmacy, and case management programs that allow chronically ill Oregonians to better manage their conditions.

Sharing Health Care Costs Equitably

Typically, in commercial insurance plans, the total premiums cover the full cost that the insurance plan incurs for medical care plus administration. For OMIP, however, the total premiums are insufficient to cover the entire amount that OMIP pays in medical and administrative costs. In effect, the premiums paid by enrollees cover about 50 percent of the total costs of the program. The other 50 percent of OMIP costs are covered through assessments that Oregon law authorizes OMIP to collect from Oregon health insurance companies. The insurers, in turn, pass these assessments to the individuals and companies that they insure under their private insurance plans. Therefore, the individuals and companies that pay for private insurance are subsidizing about 50 percent of the OMIP expenditures.

Access to health insurance through OMIP keeps thousands of Oregonians from seeking emergency room services as a last resort and allows these individuals to utilize a network of primary care providers and specialist in a manner that benefits Oregon's overall health care system.

OMIP/FMIP Private/Public Program Characteristics

OMIP/FMIP contracts with a third-party administrator (TPA), Regence BlueCross Blue Shield of Oregon. Regence BCBSO handles all day-to-day operations of the plan, including eligibility, enrollment, customer service, data reporting, claims processing, prior authorization, pharmacy benefit management, case management and disease management.

OMIP state staff works closely with the TPA's management and staff to coordinate operational and policy issues and to promote improvements in service delivery.

The administrative cost for the TPA plus the state program management and staff during FY2008 has been less than 5 percent of total expenditures.

- OMIP administration: State administrative staff and supplies comprise less than 1 percent of total expenditures.
- TPA: TPA costs comprise 4 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 about 0.2 percent of total expenditures.

The TPA administrative expense and agent fees increase as the OMIP enrollment increases. OMIP pays the TPA a contracted dollar amount per enrollee per month for administration.

Typically, in commercial insurance plans, the total premiums cover the full cost that the insurance plan incurs for medical care plus administration. For OMIP, however, the total premiums are insufficient to cover the entire amount that OMIP pays in medical and administrative costs. In effect, the premiums that you and other enrollees pay cover about 50 percent of the total costs of the program. The other 50 percent of our costs are covered through assessments that Oregon law authorizes us to collect from Oregon health insurance companies. The insurers, in turn, pass these assessments to the individuals and companies that they insure under their private insurance plans. Therefore, the individuals and companies that pay for private insurance are subsidizing about 50 percent of the OMIP expenditures. This percentage has risen over the past several years from about 35 percent to its current level.

Who Served/Program Delivery

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/FMIP have been turned down in the individual health insurance market because of their medical conditions. Additionally, OMIP serves individuals who have exhausted their 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/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/FMIP receives its guidance from a nine-member board, eight of which the director of the Oregon Health Authority appoints. The director, or a designee of the director also serves on the Board.

Eligibility

There is no citizenship requirement for coverage and no required period of uninsurance.

Enrollees must be residents of Oregon when they enroll and be able to demonstrate that they have resided in Oregon for at least 180 days during each benefit year.

Individuals obtain coverage in OMIP through one of the following eligibility routes:

High Risk

- Individuals denied individual commercial health insurance due to pre-existing medical conditions, OR
- Have at least one of the 80 medical condition listed on the OMIP application

Portability

- Individuals who exhaust their COBRA coverage and have no commercial portability coverage available to them.
- Most common are individuals who worked for self-insured companies, organizations or trusts.

Health Care Tax Credit

- Those eligible for HCTC can receive an 80 percent premium subsidy from the federal government only if they enroll in OMIP.
- The Internal Revenue Service determines if a person is eligible for this subsidy.
 - Lost their employment because of foreign trade
 - Receive compensation under the Pension Benefit Guarantee Corporation (PGBC) because their employer went out of business.

Improvements, Efficiencies

- OMIP 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 provide access to a wide range of information about managing diseases and lifestyle, broad knowledge base about medical conditions and medication alternatives and history of claims.
- OMIP took several measures in 2009-2011 to control rising medical costs, including the following:
 - Increased generic prescriptions from 59 to 72 percent, thereby controlling the rate of increase in drug expenditures for OMIP; also 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.
- OMIP/FMIP enrollees, stakeholders, and the general public have access to better information and resources. The pool:
- Improved OMIP/FMIP Web site to include more information and provide 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, OMIP/FMIP Handbook, and the benefit plan summaries to make them easier to understand.
- Contracted 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.

The Federal High Risk Pool (FMIP)

On April 30, Governor Ted Kulongoski sent a letter to the Secretary of HHS indicating Oregon's interest in administering the federal funded high risk pool through the existing Oregon Medical Insurance Pool (OMIP). Oregon's contract with HHS was signed on July 12.

The biggest difference between the federal pool (FMIP) and OMIP, is that the current OMIP program is funded by a combination of member premiums and an assessment on health insurance companies while the new federal-funded pool will be funded by a combination of member premiums and funds from the federal government.

The federal pool is structured to be nearly identical to OMIP. 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 federal-funded pool will have the affect of shifting future cost (new medical eligible enrollment) from the current OMIP pool to the federal-funded pool and therefore may level out the cost of running the existing OMIP pool over time. However it is too early to know if this will have any future impact on OMIP premiums.

Expenditures and Revenues by Fund Type/Positions

OMIP is funded through member premiums and assessments on health insurance carriers licensed to do business in Oregon. By statute, OMIP 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 are 15 percent above the market.

FMIP is funded through member premiums and a \$66 million allotment from the Department of Health and Human Services as a result of the Patient Protection and Affordable Care Act. Oregon's federal allotment for the program period starting July 2010 through December 2013 is forecasted to serve 4,000 members over the life of the program with peak enrollment reaching 2,000.

The OMIP/FMIP staff include 9 positions and 8.50 FTE.

Program History

- The implementation of OMIP in 1990 was a major state reform that created a health insurance option for individuals who could not obtain commercial insurance because of their pre-existing medical conditions.
- In 1998, the implementation of the state alternative mechanism for portability included the creation of OMIP portability coverage for individuals who did not have access to commercial portability coverage. Most of those who qualify are individuals whose former employer is self-insured.
- In 2004, implementation of the federal Health Coverage Tax Credit program (HCTC) provided coverage under OMIP for individuals who qualified for federal premium subsidies because they lost their jobs due to foreign trade or they were covered under the Pension Benefit Guaranty Corporation because their employer declared bankruptcy.
- In July 2010, the implementation of the federal high risk pool, the Federal Medical Insurance pool (FMIP), provided a federally supported high risk pool option for legally present residents who have not had health insurance coverage for at least six months and have a medical condition that prevents them from obtaining commercial insurance.

Expected Results in 2011-13

- Enhance case-management and disease-management programs to better control quality of care and manage medical-service utilization and costs for seriously ill enrollees.
- Develop and implement new strategies to obtain broader access to 340(B) drug discounts and provide incentives to enrollees to use less expensive evidence-based prescriptions.
- Expand the number of enrollees that participate in disease management program services.
- Improve the capabilities to identify highest risk enrollees and provide interventions to avoid use of costly medical services.
- Enhance communication strategies that 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 works in support of OPHP's mission of helping all Oregonians receive health benefit coverage, by:

Establishing and maintaining relationships with private-sector partners; developing custom training for healthcare industry professionals, businesses and stakeholders and; educating consumers and stakeholders on program options, benefits, and processes associated with enrollment in Oregon's health insurance programs

IEO Guiding Principles

Helping Oregonians make informed choices to meet their healthcare needs

IEO educates consumers so they have a clear understanding of the importance of 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 IEO to expand its outreach and maximize collaborative resources.

Reducing barriers to health insurance by promoting programs available to uninsured Oregonians

IEO provides uninsured Oregonians with access to 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

IEO builds partnerships with private-sector businesses, healthcare 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 enrollment in Oregon's insurance programs.

One of the IEO's 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, such as FHIAP/OMIP, as well as other state programs. IEO provides producers detailed training on program application processes, allowing referral agents to assist a member with their application prior to submittal to eligibility staff, helping reduce application "pends" and expedite the enrollment process into an insurance plan.

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 the time and eliminates confusion often associated with navigating the system alone.

In addition, IEO trains and assists businesses to better understand state programs that support employer-sponsored insurance enrollment. When an employer's insurance plan meets the benchmark for FHIAP or HKC 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 the IEO staff and the contract 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 also have close relationships with insurance producers, strengthening OPHP's position as a viable option for private market plans to those who qualify and employers whose plans meet the guidelines.

Targeted Education and Outreach Programs

IEO helps 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

IEO trains insurance producers in 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 OAR 442-005-0110, requiring the agency to train health insurance producers on state health insurance programs so they may 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) Training

IEO collaborates with professional industry associations to customize health insurance training and health care curriculum to meet professional association members' continuing education requirements. IEO then ensures the curriculum meets standards by working with the Insurance Division and association management staff to certify the training materials. These industry professionals are key influences of consumers in the purchase of health insurance. In general, one trained agent, 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 and low-cost informational webinars with the National Association of Insurance and Financial Advisors (NAIFA- Oregon, Oregon Association of Health Underwriters (OAHU), Society for Human Resource Managers (SHRM), and the Oregon State Pharmacy Association (OSPA).

Statewide seminars provide these professionals with information about:

- The latest state and federal regulatory changes and reforms;
- 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, IEO has provided quarterly training to Oregon Department of Human Services (DHS) staff and monthly training to the agency's contracted outreach workers. Staff also shares information on agency programs at industry trade shows, outreach events, and conferences.

IEO routinely presents 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 IEO disseminate its message and information broadly in a small, targeted setting.

Target Activities

Promotional and Educational Materials

IEO supports enrollment and education activities for FHIAP, OMIP, HKC and other state programs through training and development of promotional materials. Staff develop targeted materials, such as employee brochures, program member newsletters and how to apply sheets. Many pieces are available in several languages, including Spanish, Russian and Vietnamese. A few targeted materials include:

- FHIAP Employer Guide, created to provide employers with detailed information on FHIAP, how it helps with group plan rates, and how to help employees enroll.
- Oregon Health Plan's (OHP) State Health Resources flyer, a one-stop overview of state health care programs and resources.
- Are you ready for Medicare? brochure designed to introduce Baby Boomers to the Senior Health Insurance Benefits Assistance program.
- Specialized employer posters and flyers for employee awareness

Electronic Communication Tools

IEO maintains several websites and is in production for an online Health Insurance Learning Center (LC). This new 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/Agency e-newsletters are sent quarterly to producers, legislators, healthcare industry professionals and others.

Expenditures and Revenues by Fund Type/Positions

IEO 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.

There are no proposed changes in revenue sources for this program unit in the 2009-2011 Agency Request Budget. The program funds two full-time permanent positions (2.00 FTE).

Program History

1987: Oregon created the Insurance Pool Governing Board (IPGB)¹ to increase the number of small businesses offering health insurance.

1990's: IEO marketed state-certified health plans to small businesses and self-employed individuals. The state discontinued this certified plan program following reforms in the group market. In 2005, at the direction of the legislature, IEO began marketing another version of state-certified health plans to small businesses and self-employed individuals. The legislature eventually let this certified plan program sunset.

1993: OPHP launched the producer referral program. IEO started training producers to provide assistance to help small businesses purchase health insurance.

2000: By early 2000, the focus shifted to providing education and informational services to employers, consumers, health insurance producers, and local communities. Today services include:

- Continuing education for insurance producers, insurance carrier staff, human resource managers, and pharmacists;
- General health insurance education for employers, other state agencies, stakeholders, and the general public;
- Support to the Family Health Insurance Assistance Program and Healthy KidsConnect staff through producer and professional continuing education and training; and
- Referrals to specially trained health insurance producers for businesses and individuals (including the self-employed) seeking to purchase insurance.

¹ Effective January 1, 2006, the Board became the Office of Private Health Partnerships.

Expected Results in 2011-13

- Develop cost effective uses to reach a broader audience that will:
 - Inform all Oregonians on what services are available and how to attain them
 - Influence utilization of services
 - Help employers and families maneuver through the health care system
- Develop innovative ways to perform outreach and provide education on new Federal Health Care Reform
- Continue to improve on how we communicate to minority populations.
- Continue to 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.
- Continue to develop and refine new publications that reflect the changing health insurance marketplace in Oregon.
- Develop and refine new 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.