



"Integrating health insurance with tax strategies"

May 22, 2015

To Whom It May Concern,

As a licensed health insurance producer in Oregon, I'm very concerned about the fallout from House Bill 2466. The Oregon Insurance Division has proposed that pre-ACA plans (referred to as 'transitional plans') should continue to be offered in the Oregon small and large group employer markets through October 1, 2017. This proposal is certain to open the door to adverse selection in the small group market and will undoubtedly cause rate increases for all small employers.

This proposed extension will encourage health insurers to artificially manipulate the risk pools in both the small and large group market segments. Naturally, insurers will incentivize groups that present the least risk: they will offer very low renewal rates to low risk groups but will force the more risky and expensive groups to shop in the small group market to get better pricing. Allowing transitional plans will not only shrink the small group risk pool, and guarantee that the market absorbs predominantly higher risk groups, it will also force insurers to raise small group rates to compensate for the additional risk.

Please protect my clients -- Oregon's small businesses -- by ensuring that the final version of this bill does not allow "pre-PPACA" or "transitional" plans.

Yours sincerely,

Donald Klippenes
Owner/Producer