



March 27, 2019

Chair Monnes Anderson, Members of the Senate Health Committee,

Oregon currently requires insurers to provide a Bronze and Silver Standard health plan in the individual and small group markets. Standard plan benefits are designed by DCBS that all insurers must comply with. The Bronze Standard plan was previously HSA compliant, meaning it was compatible with all IRS regulations for Health Savings Accounts. DCBS switched the Bronze Standard plan back to a regular PPO to provide certain benefits at no cost share that are prevented under any HSA-compliant health plan (i.e., reproductive health benefits like abortion and vasectomy).

DCBS wants to ensure there are HSA-eligible plans available on the individual and small group markets and are proposing to mandate two Bronze Standard plans, one PPO and the second to be HSA-eligible. We understand the intent behind this mandate, which is to make HSA-eligible health plans available to all Oregon consumers. In the past, HSA plans were often desirable to consumers because of the low premium, while still offering ACA required preventive and EHB benefits. However, due to IRS regulations lowering the out-of-pocket maximum, they are becoming the most expensive Bronze plans on the market and very few individuals can take advantage of the tax-free savings.

We are also concerned that if DCBS moves forward with the mandate for two Standard Bronze plans, insurers will forgo any other plans in the Bronze category, leaving lower premium cost plans off the table for the individual and small group markets. This will result in fewer low-cost premium choices for Oregon consumers in the individual and small group markets.

We want DCBS to encourage low cost premium plans and continued plan innovation in the Oregon market. We ask DCBS to reconsider mandating two specific Bronze Standard plans and move forward by requiring only one Bronze Standard PPO and at least one HSA-eligible Bronze plan that is not a Standard plan. This will ensure there are multiple plan designs in the Bronze category while maintaining low cost premiums for consumers.

Sincerely,
Vince Porter
Director of Government Affairs