

Policy Brief

Oregon Health Insurance Marketplace Transfer – Senate Bill 65

Introduction

Over the next two years, the Oregon Health Authority will be responding to the enormous disruption of COVID-19 by adopting targeted policy and program changes that stabilize the health system and health insurance coverage and allow us to rebuild a more sustainable and equitable system for the long term. One of the most important tools for spreading change across markets is aligning the state's purchasing power across public insurance programs.

Public health care purchasers and facilitators in the commercial insurance market are currently split between the Oregon Health Authority (Oregon Educators Benefit Board (OEBB) and Public Employees Benefit Board (PEBB)) and the Department of Consumer and Business Services (Oregon Health Insurance Marketplace). Combining purchasing power will increase the efficiency with which the state can leverage the commercial health care market to improve models of care and advance payment reforms to ensure access to affordable and quality care.

Summary of Bill and Rationale

The intent of Senate Bill 65 is to better use the State of Oregon's purchasing power in the commercial health care market by transferring the Oregon Health Insurance Marketplace (Marketplace) from the Department of Consumer and Business Services (DCBS) to the Oregon Health Authority (OHA), starting July 1, 2021. Transitioning the Marketplace to OHA would better align policymaking and purchasing power for the state by increasing OHA's ability to spread improved models of care and payment reforms from public programs and PEBB/OEBB products to Marketplace plans. The transition will also help OHA to more fully assess and manage cost drivers to reduce the rate of growth in health care spending. This is essential in order to make investments in communities and services to address social determinants of health critical in advancing the agency's goal of eliminating health inequity by 2030.

The transfer will include all the Marketplace's responsibilities and employees, with the exception of the Senior Health Insurance Benefits Assistance program (SHIBA).¹ The bill is based on – and similar to – Senate Bill 1 (2015). The following summarizes the relatively few differences:

- The Marketplace, including its call center, will transfer as a separate and distinct program with all its employees.
- A dental carrier offering Marketplace-certified coverage off exchange will be required to pay an assessment equal to the assessment Marketplace carriers pay to offer the same coverage. Currently, the Marketplace certifies off-exchange dental plans that meet

¹ SHIBA will be transferred to the Division of Financial Regulation within DCBS.

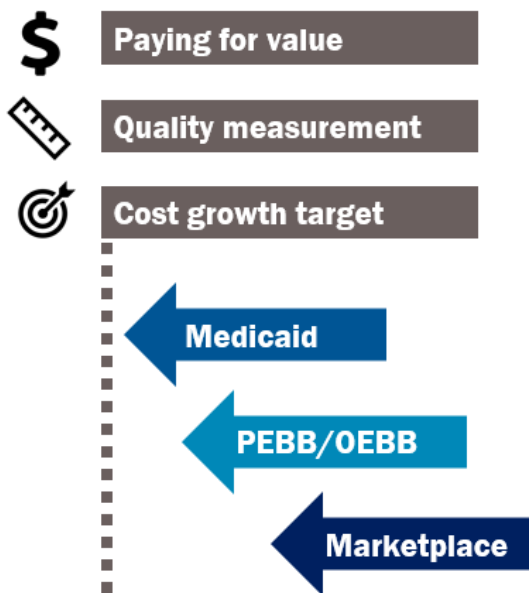
standalone dental plan requirements; however, these plans are not required to pay assessments. This new provision will require that all dental carriers be treated equitably.

- Employer size for purposes of Small Business Health Options Program (SHOP) participation will be aligned with the definition of small group in Oregon’s insurance code.
- The Marketplace will have specific authority to establish state special enrollment periods (SEPs), as long as they are not inconsistent with federal SEPs and can be implemented by the Centers for Medicare and Medicaid Services (CMS) on HealthCare.gov.
- The Marketplace Advisory Committee (MAC) will become a committee of the Oregon Health Policy Board, technically under the board’s direction. The Oregon Health Policy Board, a nine-member citizen board, is the policymaking oversight body for the Oregon Health Authority and its departmental divisions. The governor is required to set the term for each MAC member so that terms are staggered, rather than all ending at the same time.
- The MAC annual legislative report will become optional. This change results from the fact that the MAC and the Marketplace currently submit substantially similar reports. This will allow for a combined report or draw attention to if there should be a separate MAC report.

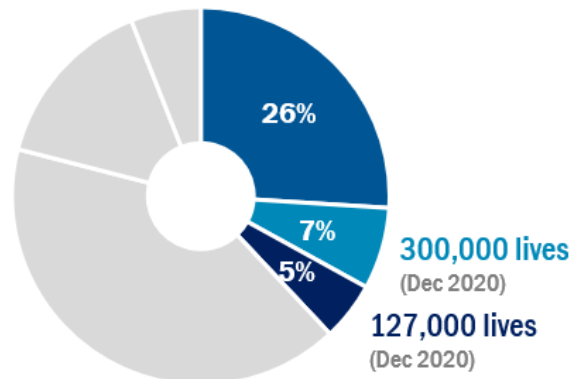


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To get this document in an accessible alternate format or language, contact Vicky Heppner, vicky.l.heppner@dhsosha.state.or.us, 503-509-6425 TTY (711).