



Commercial Insurance Regulation Overview

Department of Consumer and Business Services

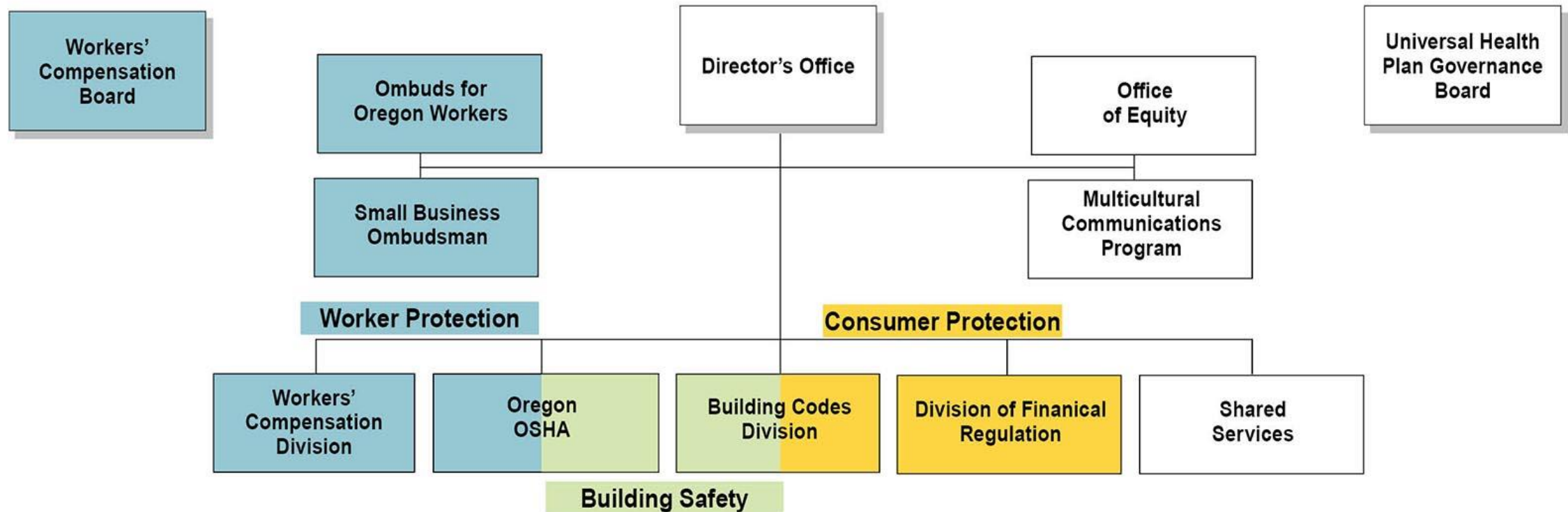
Presenters:

Jesse O'Brien, DFR policy manager

Numi Rehfield-Griffith, senior policy advisor



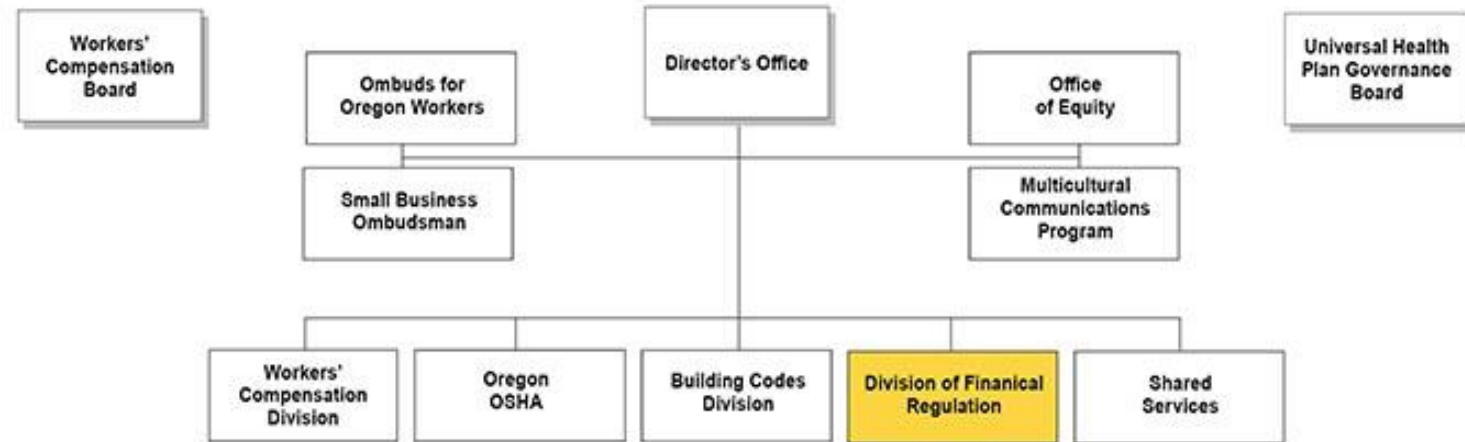
DCBS organizational chart



Mission: To equitably protect and empower consumers and workers while maintaining a predictable yet innovative regulatory environment for the businesses we regulate.

Division of Financial Regulation

**Protecting
Oregonians' access to
fair products and
services through
education, regulation,
and consumer
assistance**



Division of Financial Regulation: Mission

The Division of Financial Regulation ensures that:

- Insurance companies are financially sound
- Consumers are treated fairly
- Insurance agents and other licensed insurance professionals are held to high standards
- Transparency occurs to the greatest extent possible within the pharmaceutical drug ecosystem

DFR: Major regulatory functions

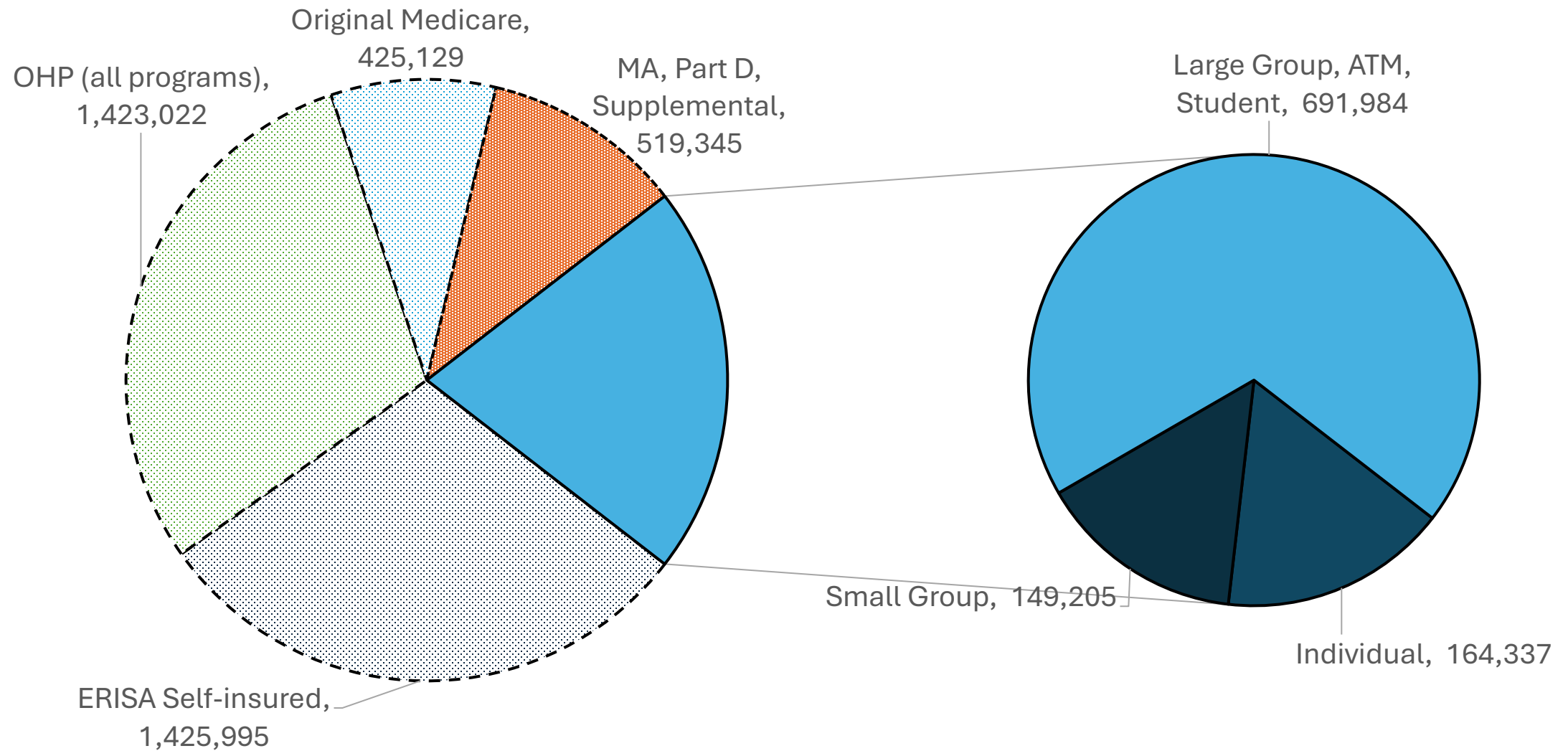
- Complaints and consumer advocacy
- Public education and outreach
- Product regulation
- Compliance
- Investigations
- Enforcement

DFR: Insurance regulation

- **States are primary insurance regulators**
 - Solvency oversight
 - Licensure of companies and producers
 - Review of rates and forms
- **The National Association of Insurance Commissioners (NAIC)** allows state insurance regulators to build on each others work and collaborate on regulation of multi-state insurers.
 - **SB 831** makes technical changes needed to maintain Oregon's NAIC accreditation into 2026.

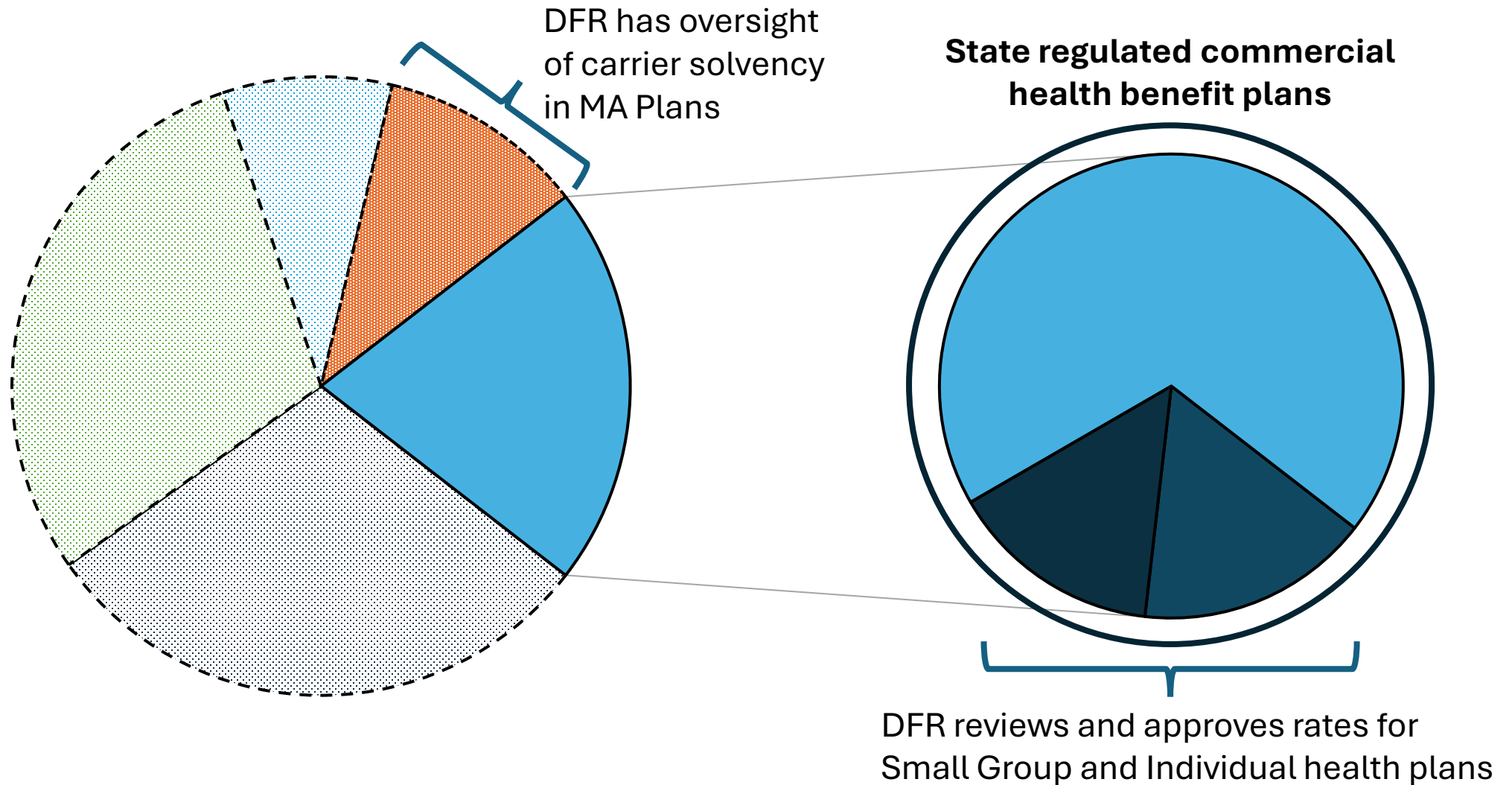


Health insurance enrollment in Oregon, Q3 2024



Data reflects enrollment as of September 31, 2024. Commercial and ERISA figures from DFR. Medicaid and Medicare from OHA and CMS, respectively.

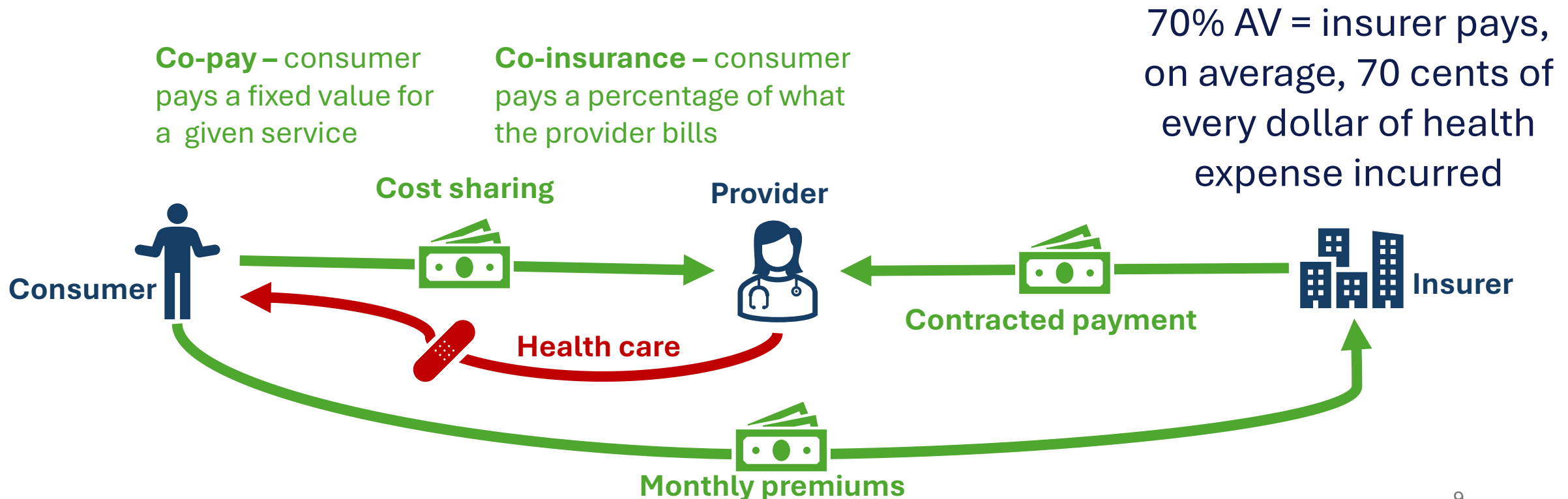
Health Insurance Enrollment in Oregon, Q3 2024



Data reflects enrollment as of Sep. 31, 2024. Commercial and ERISA figures from DFR. Medicaid and Medicare from OHA and CMS, respectively.

Insurance 101: Actuarial value and cost sharing

Actuarial value (“AV”) is how we measure the generosity of a health insurance benefit, expressed as the percentage of costs that an insurer will cover out of every dollar of expenses



Insurance 101: Metal tiers

The Affordable Care Act categorizes health plans into four “metal tiers”: Bronze, Silver, Gold, and Platinum

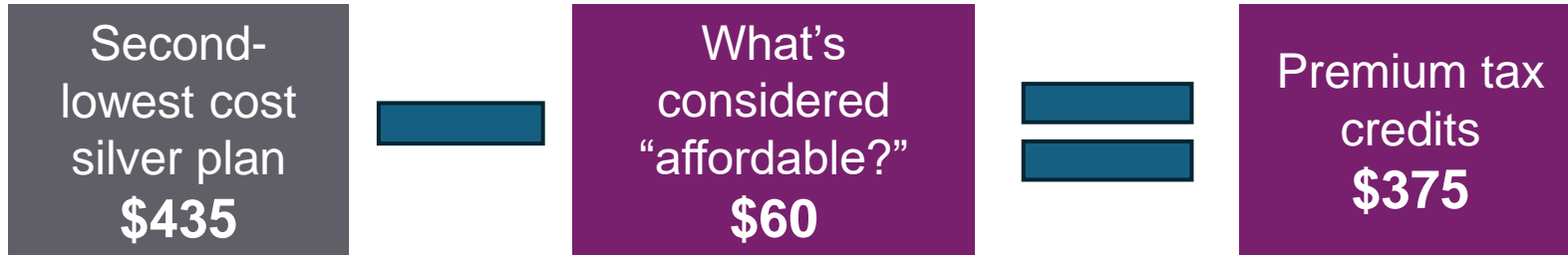
BRONZE	60% AV
SILVER	70% AV
GOLD	80% AV
PLATINUM*	90% AV

*Currently, no platinum plans are offered in Oregon.

Insurance 101: Premium tax credits

Example: A single adult, 40,
earns \$30,120 per year

Monthly income:
\$3,012

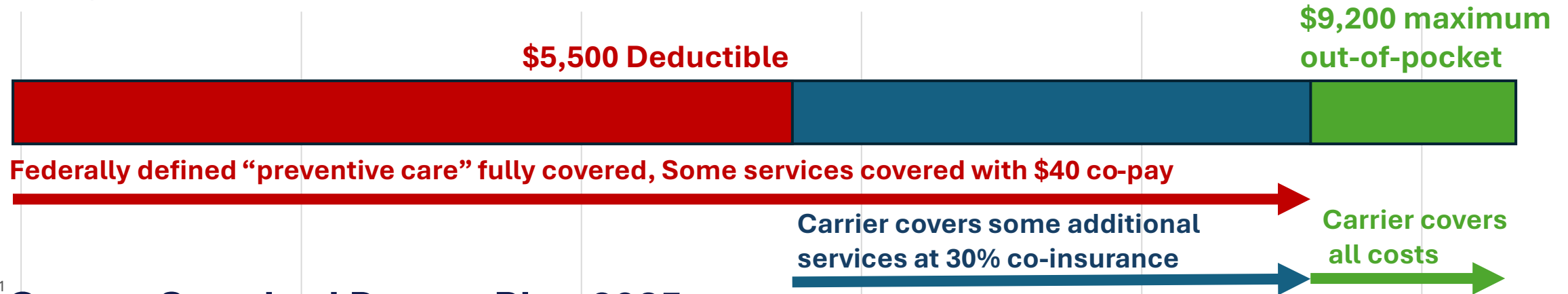


PTC may be applied to any health plan offered on Healthcare.gov

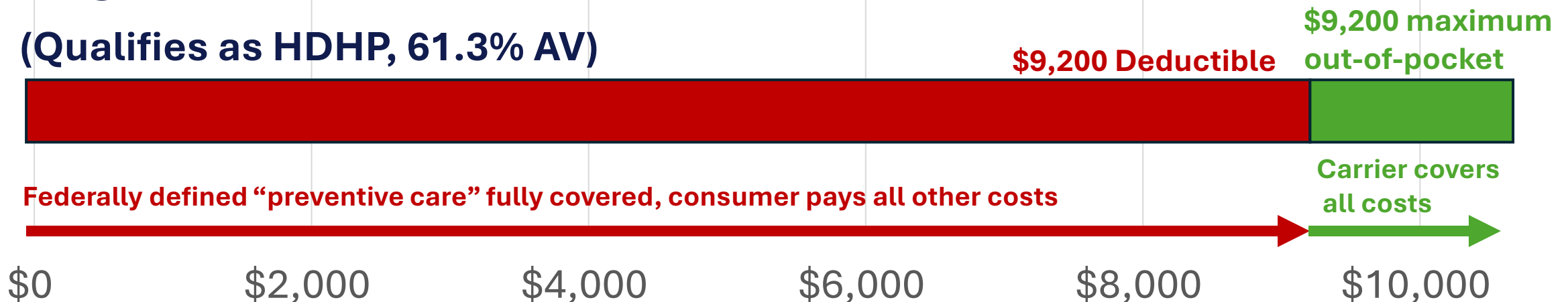
	Bronze	Silver	Gold
Monthly premium	\$393	\$435	\$547
Tax credit	\$375	\$375	\$375
Cost after tax credit	\$18	\$60	\$172

Insurance 101: Deductibles/MOOP/HDHPs

Oregon Standard Silver Plan 2025 (71.4% AV)

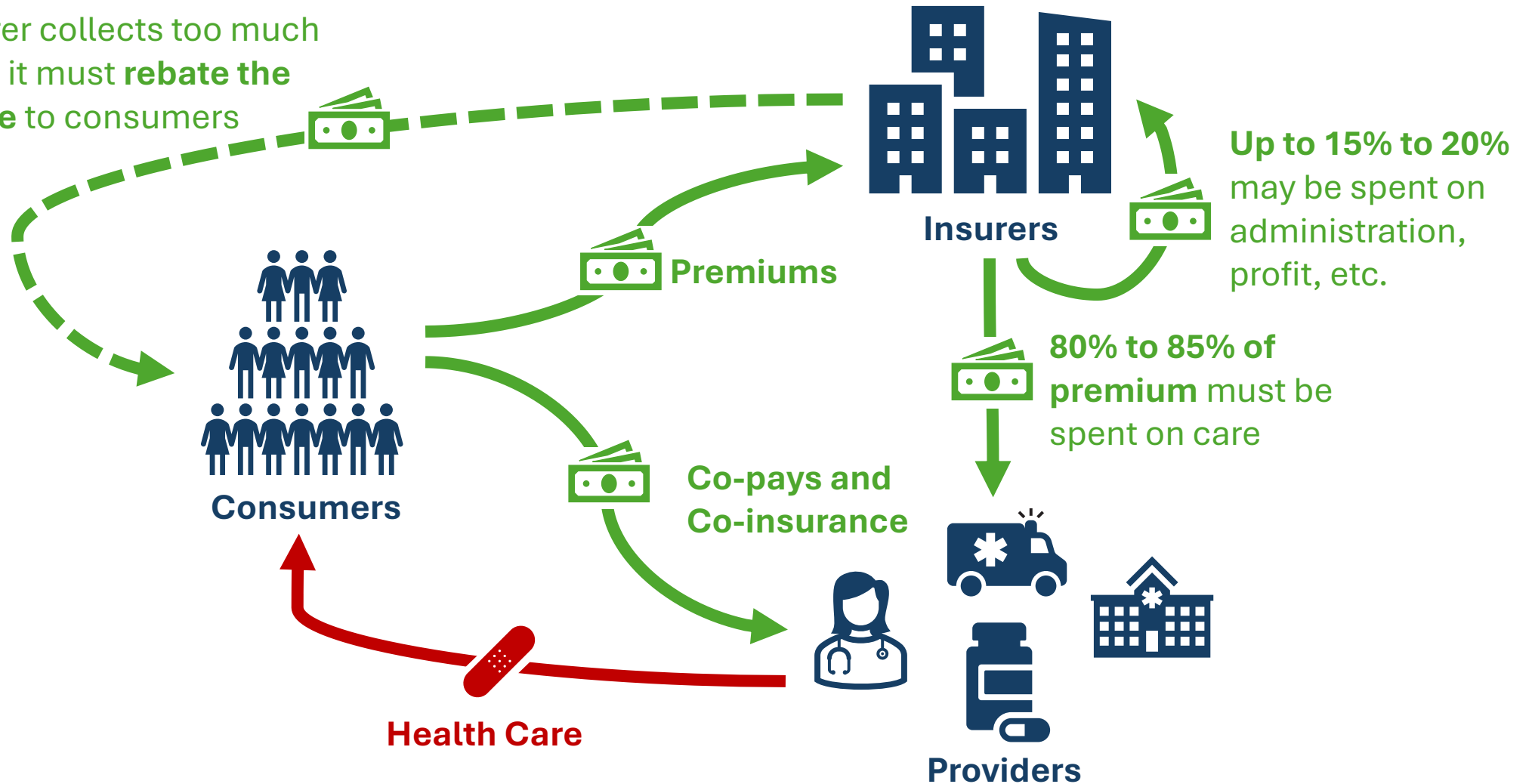


Oregon Standard Bronze Plan 2025 (Qualifies as HDHP, 61.3% AV)



Insurance 101: Medical loss ratio

If an insurer collects too much premium, it must **rebate the difference** to consumers



DFR: Health insurance rate review

DFR approves rates that are “reasonable and not excessive, inadequate, or unfairly discriminatory”



Consumer interest in
having affordable,
comprehensive health
care coverage

DFR's role in ensuring
that insurance
companies remain
financially stable

DFR: Health insurance rate review

Fall
Year 1

- Insurers begin reviewing claims experience from previous plan years.
- Insurers consider if new plans should be changed to meet consumer needs.

January -
April Year 2

- Insurers review enrollment statistics, claims experience, and market factors and finish developing their rate request.

May
Year 2

- Rates are filed with the division.
- A public comment period is opened.
- Division actuaries begin reviewing filed rates.

June
Year 2

- The division reviews rate filings.
- Division actuaries meet weekly to determine if insurer follow-up is needed to understand the rate requests.

July
Year 2

- Rate hearings are held. Visit oregonhealthrates.org
- The public comment period concludes, and public comments are considered as part of the rate decision.
- Preliminary rate decisions are made by the division and are uploaded to oregonhealthrates.org.
- The preliminary orders are released.

August
Year 2

- The division finalizes rate orders and other administrative requirements.
- Plans and rates are transmitted to the U.S. Centers for Medicare & Medicaid Services by the Oregon Health Insurance Marketplace after approval for display during open enrollment on healthcare.gov.

November
Year 2

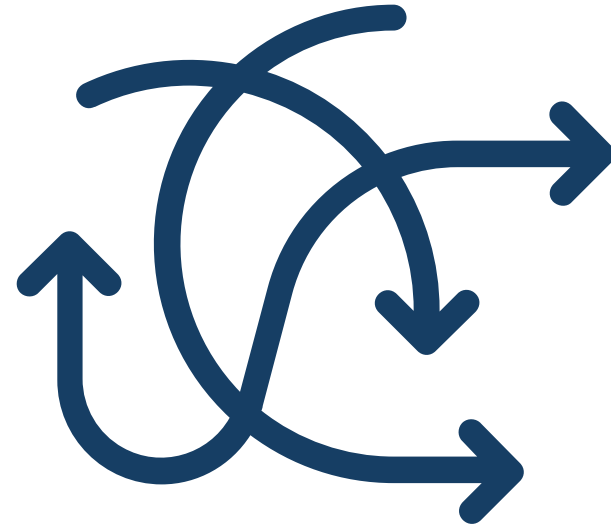
- Open enrollment begins for Year 3 plan year individual and small group health benefit plans.

January
Year 3

- New plans and rates are effective.

DFR: Health insurance rate review

HB 2564 removes redundancies in the existing rate review process and requires insurers to provide a consumer-friendly summary document that explains requested rate changes.



DFR: Oregon Reinsurance Program

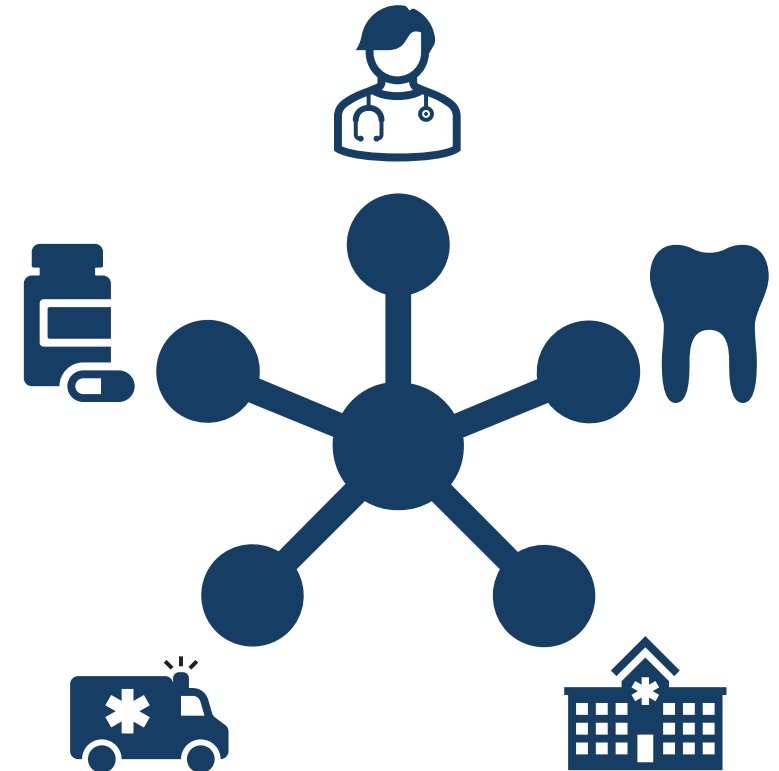
DFR administers the Oregon Reinsurance Program (ORP), which:

- Uses state funds collected from the 2% carrier assessment and federal pass-through funds under Oregon's ACA § 1332 waiver
- Pays a portion of high-cost claims for individual health insurance claims
- Lowers individual market health premiums by 6%
- Increases consumer choice by protecting smaller health insurance carriers from the risk of very high-cost patients
- **HB 2010** extends Oregon's health assessments, including the 2% premium assessment that funds ORP

DFR: Network adequacy

“**Network adequacy**” describes an insurer’s ability to provide consumers with with enough in-network providers to meet their care needs

- Current law requires small group and individual market health carriers to report annually to DCBS regarding their network adequacy
- **SB 822** strengthens Oregon’s network adequacy law by establishing quantifiable standards for network adequacy and expanding the law to cover large group plans



DFR: Insurance licensing



- Insurers: 12 health benefit carriers



- Insurance producers: 108,863



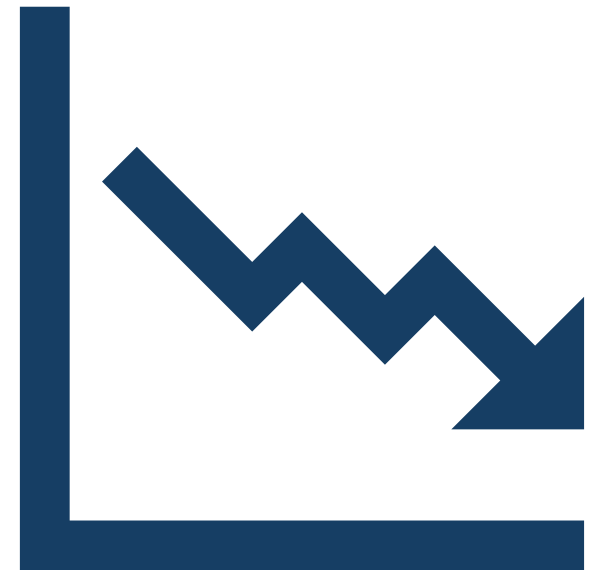
- Third-party administrators: 351



- Pharmacy benefit managers: 58

DFR: Insurer solvency

- DFR monitors and examines the financial condition of insurance companies for solvency to ensure companies have sufficient resources to pay claims.
- DFR may require an insurer to take steps to improve their financial condition, such as raising funds through the sale of assets, generating outside investment, or even raising premiums.
- If an insurer becomes insolvent, unpaid claims are covered by the Oregon Life and Health Guaranty Association.



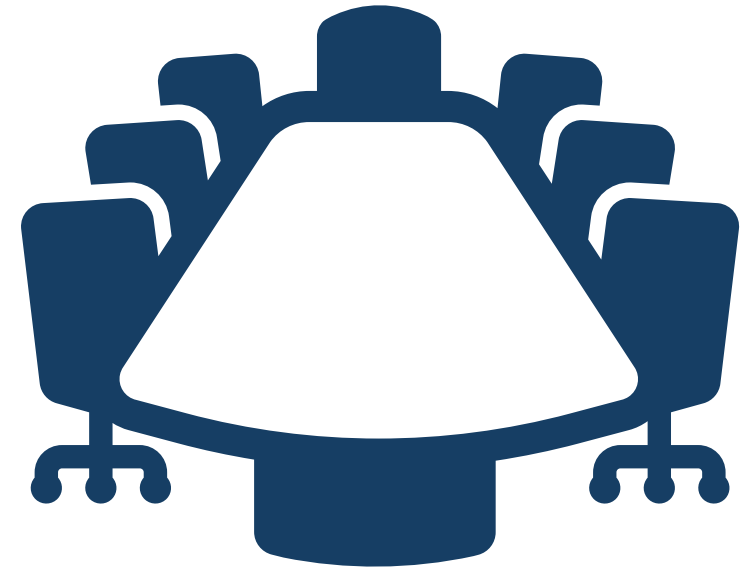
DFR: Prescription drug programs



- Drug price transparency
- Prescription Drug Affordability Board
- Pharmaceutical sales representative licensing
- Pharmacy benefit manager (PBM) licensing

DCBS: UHPGB

- DCBS also houses the Universal Health Plan Governance Board (“UHPGB”)
- UHPGB, created by 2023 SB 1089, is directed to design a plan to finance and deliver universal health care in Oregon, due to the legislature in 2026
- DFR, as the state insurance regulator, is “firewalled” from the activities of the UHPGB



DFR: Consumer advocacy

- **1,365** health-related consumer complaints in 2024
- **649** complaints subject to state regulation
- **129** confirmed complaints
- **\$1,286,244** recovered for consumers in 2024 for health-related complaints



DFR: How we can help

- Direct consumer assistance in 2024
 - In-person outreach across the state, participated in events in every county in 2024
 - Wide range of public education materials available on DFR website: dfr.oregon.gov
- Constituent issues
 - We are available to help when constituents raise concerns about insurance and finance
 - We can often resolve issues without the need for legislation



Questions?

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