



Testimony on HB 2010: Insurer Assessment

February 6, 2025

Chair Nosse and Members of the Committee,

I am the Director of Government Relations at Cambia Health Solutions, which operates Regence BlueCross BlueShield of Oregon. As the state's largest health insurer, Regence is committed to addressing both persistent and emerging health needs for the nearly one million Oregonians we serve. In keeping with our values as a tax paying nonprofit, nearly 89% of every premium dollar goes to pay our members' medical claims and expenses.

Thank you for the opportunity to testify in support of HB 2010. Renewing the health insurance assessment at the existing level is critical to supporting the Oregon reinsurance program and stabilizing Medicaid, and we urge passage of HB 2010.

HB 2010 renews the health insurance assessment at its current rate, which is 2% that brings in federal funding to support the reinsurance program and OHA to support Medicaid.

The reinsurance program has stabilized the individual health insurance market, reduced premiums, and increased access to affordable health coverage for Oregon residents. The program creates a reinsurance pool, which is a fund that reimburses insurers for a portion of the costs associated with high-risk individuals. The money put into the program from the assessment is then matched by federal funding. Because of the shared risk for high-risk individuals, the program is able to reduce individual insurance rates by 6%, which is incredibly impactful given the challenges with affordability within the individual market.

The Oregon reinsurance program has been very successful in stabilizing the individual market, which is important for people purchasing their own insurance out of pocket, particularly those who do not qualify for subsidies. Without that reduction in the rate that we see through the program, we would see a higher percentage of Oregonians become uninsured, increasing costs for all Oregonians.

Similarly, the portion of the assessment that funds Medicaid further stabilizes the overall health care market, drawing down federal funding to support Medicaid and help ensure access to health care for low-income Oregonians. While we recognize that there are

ongoing funding challenges within Medicaid and that commercial insurers' higher commercial reimbursements have always supported provider shortfalls, we believe that renewing the assessment at the current rate is critical to the overall stability of the health care system.

The insurer assessment applies to employer-sponsored fully-insured coverage and is passed to Oregon families and businesses in premiums, impacting the cost of health care in the state. As such, the state needs to be careful in ensuring that the premium assessment rate strikes the correct balance between improving Medicaid funding while not exacerbating affordability challenges for Oregonians. While we understand that there are challenging conversations needed in the future about how to ensure sustainable Medicaid funding, renewal of the assessment at the current rates strikes the right balance for Oregonians and has support across the health care and insurance industry.

Please pass HB 2010. Thank you for the opportunity to submit testimony and let me know if you have any questions.

Sincerely,

Mary Anne Cooper
Director of Government Relations
Cambia Health Solutions