

Dec 2, 2009

**Recommendations to the Oregon Health Policy Board
for the Oregon Insurance Exchange
Oregon Healthcare Advocacy Allies**

A well-crafted insurance exchange is an essential element of Oregon's health care reform. It has the potential to ensure informed consumer choice and continuity of the patient-provider relationship. It can be instrumental in reining in soaring premiums, and can help encourage best practices and reduce administrative costs for businesses and individuals. We look forward to working with you to ensure these key elements and the detailed policies behind them are incorporated into the plan you put forward for Oregon.

To succeed, the exchange must:

Be the single marketplace for all individual and small group health insurance in Oregon, in order to ensure stability and avoid adverse selection. By end of 2012 all individual and small group plans will be sold through the exchange. By 2015 the exchange will be open to all other groups.

- Offer consumers and businesses a manageable range of insurance options, presented in a clear standardized format to help them compare "apples to apples".
- Include choice of a health plan that is publicly owned and publicly administered;
- Administer sliding-scale premium assistance, and enable consumers to combine their own contribution with those of their employer or multiple employers to pay for a plan of their choice;
- Create a re-insurance program to spread the risk of extremely high-cost claims across the system fairly that all insurers must participate in and the costs of which would be included in premiums charged to individuals and groups.
- Have the authority to set standards and negotiate with insurers on behalf of Oregonians to control costs, eliminate disparities and improve quality.
- Operate within a system where everyone is in and no one is out.

Standards for health insurance plans must include:

• Fair pricing and no discrimination against people with "pre-existing conditions." Insurance must be guaranteed issue, guaranteed renewable, community rated, and without pre-existing conditions exclusions or delays.

• All health insurers must offer one plan that includes the essential benefits package defined by the Health Services Commission. The EBP must be comprehensive, prevention-oriented and include mental, physical, dental and eye care coverage. It must include limits on out of pocket costs, utilize co-pays rather than deductibles or co-insurance, and make preventive care available at little or no cost. No insurer selling individual, small, or large group health plans can sell any plan with fewer benefits or

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higher out of pocket costs than the essential benefits package. Insurers may offer supplemental plans with benefits that exceed the essential benefits package but these plans, like the EBP, must be guaranteed issue, guaranteed renewable without pre-existing conditions. No business or individual could choose a plan with benefits beyond the EBP unless they are first enrolled in an EBP plan.

- A prohibition on caps on annual or lifetime amounts the insurer will pay for care;
- Adequate provider networks including in rural areas of Oregon
- Use of uniform electronic forms developed through the Authority's administrative simplification process to cut red tape;
- Requirements for financial stability and rate review as strong or stronger than those currently enforced by the Insurance Division.

The public option within the exchange:

HB2009 requires that the Health Policy Board develop and submit a plan to the Legislative Assembly with recommendations for the development of a publicly owned health benefits program that operates in the exchange under the same rules and regulations of all health insurance plans offered through the exchange.

The single publicly owned and publicly administered plan within the exchange must:

- Be established as a public entity or a public non-profit corporation, operating in the public interest.
- Provide high quality care, control costs and ensure maximum value.
- Be open to any Oregonian or business eligible to purchase insurance through the exchange.
- Operate as one of various health plan options available through the Insurance Exchange and meet the same Oregon Health Policy Board and legislatively approved requirements as private plans.
- Maintain competitive premium rates for individuals and groups; maintain prudent, but not excessive reserves; eliminate profit.
- Conduct operations in a transparent manner; be accountable to the public and seek public input regularly to improve quality and scope of services.
- Utilize payment and incentive models that eliminate disparities in outcomes, encourage prevention focused care, effective chronic disease management and evidence-based medicine.