
Oregon's Health Insurance Exchange: Issues for Policy Board Discussion

Nora Leibowitz
Barney Speight

December 14, 2010



Prepared for the
OREGON HEALTH POLICY BOARD

Topics for Policy Board Discussion

- Areas of Board agreement
- Proposed measures for ensuring accountability
- Statutory authorities to meet federal Accountable Care Act requirements

Areas of Prior Policy Board Agreement

- Specify measures to ensure Exchange is accountable
- Organization with strong public mission
- The Exchange should have a governing board
 - Governor appointed, Senate confirmed
 - Nine members
 - Voting ex officio members (OHA & DCBS Directors, OHPB member)
- The report to the Legislature is part of the OHA work conducted under Oregon's Exchange planning grant
 - The report will provide the legislature with information relevant to the Exchange authorizing legislation and guide ongoing work in the state

To whom is the Exchange accountable? (slide 1 of 2)

- **The customers of the Exchange**
 - By providing excellent service and value to individuals, small businesses and employees (many of whom are paying for health insurance coverage, in part, with their own funds)
 - By making offerings available to wide segment of Oregonians
- **The general public (taxpayers)**
 - A dollar saved in premium benefits individuals and small businesses paying a portion of the premium costs and the Federal government's (taxpayers) funding of tax credits and cost-sharing subsidies.
- **The Oregon Governor and Legislature**
 - Using smart purchasing as a tool to drive change in the system, increasing efficiency and reducing costs for all Oregonians

Others to whom the Exchange is accountable

- **The health plans and other service providers with whom the Exchange contracts for goods and services**
 - The Exchange must be a prudent but good business partner with entities providing administrative services under contract and with carriers offering qualified health plans through the Exchange
- **The Federal government**
 - The Exchange will follow the federal statutes and regulations, contractual terms and conditions associated with operating a state Exchange

Mechanisms to optimize accountability:

- **The statutory charter.** The statute creating the public corporation that runs the Exchange should include:
 - A mission statement and requirements to comply with select provisions of the ORS that enhance accountability and transparency
 - public meetings, public records, opportunities to receive public comment [written, electronic, in person]
 - Exceptions must be included to protect proprietary and similar market-sensitive information, although this should be for very limited circumstances

Draft Mission Statement

- Drafted with help from members of Exchange Technical Advisory Group
- Edited based on feedback from Health Equities Review Committee

Mission

To achieve the triple aim goals of Improving the lifelong health of all Oregonians, Increasing the quality, reliability and availability of care for all Oregonians, and lowering or containing the cost of care so it is affordable for everyone: administer an exchange established in the public interest, for the benefit of the people and businesses that get health insurance coverage for themselves, their families and employees through the exchange now and in the future.

Principles

- The exchange empowers Oregonians by giving them the information and tools they need to make insurance choices that meet their needs and values.
- Through its functions and in coordination with the Oregon Health Authority, Oregon Health Policy Board and Oregon Department of Consumer and Business Services, the public corporation running the exchange works to improve health care quality and population health, eliminate health disparities, control costs and ensure access to affordable, equitable, quality, accountable care across the state.
- The public corporation running the exchange is accountable to the public interest in all its diversity.

Legislative Concept: Exchange Structure

- Exchange is a public corporation, a “government entity performing governmental functions and exercising governmental powers”
- Governmental entity not a unit of local or municipal government or state agency for purposes of state statutes or constitutional provisions
- Statewide purposes, missions, without territorial boundaries
- e.g., State Accident Insurance Fund (SAIF), Oregon Health & Science University (OHSU)

Mechanisms to optimize accountability:

- **The appointment and confirmation process**

- Appointment by the Governor and confirmation by the Oregon Senate
- Provides a public process for evaluating the competency, ethical standards and personal commitment of nominees and those being re-appointed.

- **Voting *Ex officio* board members**

- The Directors of the Oregon Health Authority and Department of Consumer and Business Services and a member of the Oregon Health Policy Board
- Helps assure appropriate linkage to state health policy and insurance regulatory domains.
- Ex officio members can also provide valuable input to the Governor on-reappointments to the Exchange Board.

Legislative Concept: Exchange Governance

- Board of directors
 - 3 ex officio voting members
 - 6 Governor appointed/Senate confirmed
 - Include as members individual consumer, small employer
- Ex officio: OHA Director; DCBS Director; OHPB chair
- 4 year terms, Governor may remove after notice/hearing, up to 3 members in 4 year period*
 - except for corrupt conduct in office, for which any member may be removed
- Officers and Employees
 - Board elects one member as chair and another as vice chair
 - Board appoints executive director, who will appoint subordinate officers and employees

*Same language as in OHSU statutes.

Conflict of Interest Language

From California's Exchange Authorizing Bill (SB 900):

- *A member of the board or of the staff of the Exchange shall not be:*
 - *employed by, a consultant to, a member of the board of directors of, affiliated with, or otherwise a representative of, a health carrier or other health insurer, an agent or broker, a health care provider, or a health care facility or health clinic while serving on the board or on the staff of the Exchange.*
 - *a member, a board member, or an employee of a trade association of carriers, health facilities, health clinics, or health care providers while serving on the board or on the staff of the Exchange.*
 - *a health care provider unless he or she receives no compensation for rendering services as a health care provider and does not have an ownership interest in a professional health care practice.*

Mechanisms to optimize accountability, continued

- **Advisory groups.** The Exchange statutory charter should require the creation of advisory bodies to get input from:
 - Individuals receiving coverage through the Exchange
 - Small businesses receiving coverage through the Exchange
 - Health plans participating in the Exchange
- Consult with relevant state advisory groups, such as the Health Services Commission and Health Resources Commission

Mechanisms to optimize accountability, continued

- **Growth and performance of the Exchange**
 - The Exchange will serve and compete for customers
 - Like other public and private entities, the public corporation will be required to report annually to the Governor and Legislature on the Exchange's current membership and growth, financial performance, operational performance, etc.*
- **Surveys and focus groups of consumers** (individuals, small employers and their employees), **navigators, agents and others**
 - Routine surveys to assess the operational performance of the Exchange, including the range and adequacy of qualified health plans offered, ease of use of the web site, timeliness and accuracy of Exchange services (call centers, enrollment processes, problem resolution)
 - Survey results should be available to the public and included in the annual report to the Governor and Legislature

*ACA requirement

Mechanisms to optimize accountability, continued

- Ensure the Exchange is subject will be subject to ORS 243 Public Employee Rights and Benefits (as in OHSU statute)
- Include the statutory requirement and authority for the Exchange to collaborate with OHA, DCBS and Employment Department for the efficient operation of programs
 - For example, to allow efficient determination of Medicaid and tax credit eligibility through the Exchange

In carrying out the mission and purposes of the Exchange, the Board shall:

- Where appropriate, align and coordinate the contracting standards, criteria and practices of the Exchange with those of the Oregon Health Authority;
- Foster the development and use of industry-wide standards used by health insurance carriers, health care systems and providers in areas such as evidence-based and best practice clinical processes, clinical and service quality and performance measurement and reporting, electronic health information Exchange and efficient and streamlined administrative practices;
- Stimulate the development of integrated, regional health care systems with demonstrated commitment to improving the health of populations, enhancing patient experience of care (including quality, access and reliability), and reducing or at least controlling the per capita cost of care; and
- Strive to provide health plan choices that offer annual premium increases that are more economically sustainable for individuals, families and businesses.

Legislative Concept: Functions

- Statutory Authority to do activities required by ACA
 - Provide information to consumers on plans, eligibility, etc
 - Toll-free hotline, web site, electronic calculator, standardized benefits info
 - Screen/certify/recertify health plans
 - Decertify plans that fail to meet standards
 - Ensure fair competition of carriers in and out of Exchange
 - Facilitate community-based assistance (Navigator program)
 - Grade health plans on price and quality
 - Certify exemptions
 - Provide information to federal government
 - Enter into contracts to carry out functions and provide services

Additional Exchange Functions

- Authority to apply for and accept grants and other funds
- Present enrollee satisfaction survey results
- Provide open enrollment periods
- Consult with stakeholders, including tribes
- Publish data on Exchange administrative costs