



Oregon

Theodore R. Kulongoski, Governor

Oregon Health Fund Board

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April 10, 2009

Representative Mitch Greenlick, Chair
House Health Committee Members
Oregon House of Representatives
Oregon State Capitol
Salem, OR 97301

Dear Chair Greenlick and Committee Members,

The Oregon Health Fund Board (OHFB) supports the passage of HB 2755 to conduct a study of the feasibility and value of a single state reinsurance plan and other risk sharing mechanisms for the individual and small employer group markets. Such a study would provide critical information to the Oregon Health Authority for the thoughtful development of the Oregon Health Insurance Exchange, as outlined in the OHFB report "*Aim High: Building a Healthy Oregon*".

Several other states have implemented state-negotiated reinsurance plans for the small group, self-employed and individual markets, with and without the assistance of subsidies. Working in partnership, the Office of Health Policy and Research and the Department of Consumer and Business Services should evaluate the experiences of the reinsurance programs in states such as New York, New Mexico, Idaho and Arizona, to ensure that proposals for a single state reinsurance plan would avoid the unintended consequences of adverse selection or crowd out of conventional insurance.

HB 2755 would provide the impetus and structure for a systematic approach to developing a reinsurance plan as part of a Health Insurance Exchange. We view such a plan as essential to making coverage more affordable to individuals and small groups while protecting the integrity of an Exchange or other state purchasing mechanism with effective risk spreading strategies. OHFB supports the investigation of a single state reinsurance plan and the study as outlined in HB 2755.

Sincerely,

Bill Thorndike Jr.
Board Chair

Carol Robinson
Interim Executive Director

