

Your questions about OMIP

Producers who attended our spring, one-hour class on the state's high-risk pool asked these questions. We think the answers may be of interest to all producers.

Also, a reminder that you can find a guide to filling out the OMIP application at http://www.oregon.gov/DCBS/OMIP/apply_omip.shtml.

Q: *Producers used to be able to send applicants directly to OMIP by checking a box. Why did this change?*

A: The OMIP Board made this change to streamline the application process for Oregonians, including those who weren't working with an agent. Today, people with a condition on the list can apply directly to OMIP. The major domestic carriers agreed that conditions on the list are ones that would always result in rejection for coverage.

Producers requested the change because they were concerned about their liability when they certified that individuals would be rejected for coverage. Carriers requested the change because they wanted their underwriters to determine if applicants would be rejected for coverage.

Q: *Has OMIP considered offering an HSA option?*

A: None of the OMIP benefit plans meet HSA requirements, primarily because there is no out-of-pocket limit for drugs. To meet HSA requirements, OMIP would have to limit out-of-pocket medical and pharmacy costs to a combined \$2,000. OMIP premiums would increase as a result and, most likely, so would OMIP expenditures and the assessment on carriers. OMIP staff has not seen a significant demand for this option.

Q: *How can I get information about my OMIP clients and continue to assist them with their policy?*

A: You can download The Authorization to Disclose Protected Health Information from the OMIP Web site at <http://www.oregon.gov/DCBS/OMIP/>. Have your client sign the form and return it to the address on the form.

Q: *Why doesn't OMIP offer dental coverage?*

A: OMIP is intended to be medical coverage. Individuals are able to apply for any stand-alone dental plans in the commercial market.

Q: *Why can't OMIP members order a three-month drug supply?*

A: OMIP loses several hundred enrollees each month. Each of them could leave with a 90-day drug supply for several medications but pay only one month of costs in premium and co-payments. In such cases, OMIP would be providing medications for individuals who are not eligible for coverage and who haven't paid premiums. The cost of each brand drug can reach several hundred dollars each month. Also, research indicates that the cost of unused prescriptions for 90-day supplies of drugs is significant. Much of this is due to replacement of prescriptions by physicians as they adjust the medications to treat patients with chronic medical conditions.

Q: *Is OMIP considering another mid-year premium increase?*

A: No. This happened in 2007 and followed a significant reduction in commercial premiums at the start of the year. OMIP bases its premiums on the commercial market and also dropped rates. However, costs continued to escalate and the gap between premium revenue and program costs increased dramatically. The Board decided that it needed to increase the surcharge for medical plans to the maximum of 25% above the market average to close the gap. The surcharge increase took effect in July 2007. The portability plans had no mid-year increase.

Q: *Does a person have to exhaust COBRA before using OMIP as their PORTABILITY option?*

A: Generally, yes. The OMIP application provides detailed information on who qualifies for OMIP portability coverage.

Q: *Will you accept the initial OMIP application without my clients' Certificate of Creditable Coverage (COC)?*

A: Yes, the absence of the COC will not delay application processing or the effective date of coverage. OMIP uses the COC to apply credit for coverage on their pre-existing conditions. No credits will be issued until OMIP has received the COC.

Q: *Do you have to be a United States citizen to qualify for OMIP?*

A: There are no state requirements that individuals be U.S. citizens. They must be Oregon residents, however, and submit proof of residency. (See application for how to prove residency.) Because OMIP receives no federal dollars to fund the program, federal requirements for citizenship don't apply.

Q: *What is the Oregon residency requirement for OMIP?*

A: Once OMIP determines an applicant and/or dependents are eligible for coverage, the member must maintain a principal place of residence in Oregon and live there at least 180 days each benefit enrollment year. A benefit enrollment year (12-month period) begins on the date the member became effective with OMIP. If the member no longer meets OMIP residence requirements, it is important to contact OMIP immediately. If the member doesn't meet residency requirements, OMIP may retroactively terminate the coverage back to the first day of the benefit enrollment year. In addition, OMIP may keep premiums paid and recover any benefits paid during that time.