



Oregon

Theodore R. Kulongoski, Governor

Oregon Health Authority

Office of the Director

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August 30, 2010

The Honorable Peter Courtney, Co-Chair
The Honorable Dave Hunt, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Re: Competitive Grant—Approval Needed—Non-ARRA Funded State Planning and Establishment Grants for the Affordable Care Act's Exchanges (OHA-OHPR-20)

Dear Co-Chairpersons:

Nature of the Request

The Oregon Health Authority (OHA), Office for Oregon Health Policy and Research (OHPR) requests retroactive authority to apply for a State Planning and Establishment Grant for the Affordable Care Act's Exchange Funding Opportunity Number: IE-HBE-10-001 (CFDA: 93.525). This grant opportunity is offered by the U.S. Department of Health and Human Services, Office of Consumer Information and Insurance Oversight. The grant will fund Oregon's development of a state health insurance exchange plan. This effort is consistent with work currently underway at OHA, led by the Oregon Health Policy Board, to develop a health insurance exchange plan as required by HB 2009 and also required in Section 1311 of the Affordable Care Act. The federal grant funds will allow OHA to conduct detailed operational planning and economic and other modeling that will allow the state to determine resource and other needs for the development and implementation of a health insurance exchange. This grant is one of many funded by the federal Affordable Care Act (ACA) that will further health reform efforts in Oregon. OHA is working closely with the Department of Business and Consumer Services to ensure a coordinated state strategy to maximize available funding opportunities and streamline implementation of the ACA.

Agency Action

General Grant Information: Oregon will apply for the maximum grant award of \$1 million. The application is due September 1, 2010. The grant period is 12 months, with the grant award notice anticipated by September 30, 2010.

State Match Requirement and Impact: Applicants are not required to provide matching funds.

Description of the Grant:

The Affordable Care Act includes a wide variety of provisions designed to expand coverage, to provide more health care choices, to enhance the quality of health care for all Americans, to hold insurance companies more accountable, and to lower health care costs. Among its provisions, the law provides grant funding to assist States in implementing parts of the Affordable Care Act, including funding assistance to the States for the planning and establishment of American Health Benefit Exchanges (“Exchanges”). The Affordable Care Act provides that each State may elect to establish an Exchange that would: 1) facilitate the purchase of qualified health plans (QHP); 2) provide for the establishment of a Small Business Health Options Program (“SHOP Exchange”) designed to help qualified employers enroll their employees in QHPs offered in the SHOP exchange; and 3) meet other requirements specified in the Act.

The U.S. Department of Health and Human Services (HHS) has the flexibility to determine the size and scope of specific awards to States and the District of Columbia. The funding awarded is intended to assist States with initial planning activities related to the potential implementation of the Exchanges. Grants will be awarded in amounts up to a maximum of \$1 million per State, depending on the number and scope of activities for which funding is sought. Federal regulations to establish standards for Exchanges are currently under development, as required by Section 1321 of the Affordable Care Act. States will be notified of grant awards on September 30. The grant period is expected to be one year, from October 1, 2010 through September 30, 2011.

Grant funds will be used to contract with expert assistance in order to develop a detailed operational plan and conduct economic modeling. Grant funds may also be used to employ one FTE at the project manager or similar level.

Funding Necessary to Sustain the Grant Activity: The grant guidance does not require activities conducted through this project to be sustained when the funding period is over. The planning activities funded by the grant should be completed within the one-year grant period. However, there is an expectation of health insurance exchange implementation funding from the US Department of Health and Human Services, Office of Consumer Information and Insurance Oversight after the completion of this grant that would support the continuation of work produced under this grant.

Community Involvement: The Oregon Health Policy Board has engaged stakeholders throughout the initial planning stages for an Exchange in Oregon and will hold community forums across the state this fall. Its predecessor, the Oregon Health Fund Board, staffed by the Office for Oregon Health Policy and Research, had extensive community engagement process in 2008 and 2009 that serves as the foundation for this proposal. OHA and the Oregon Health Policy Board will continue to seek input from interested stakeholders throughout future design and implementation efforts.

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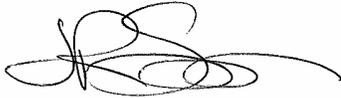
Action Requested

The Oregon Health Authority (OHA), Office for Oregon Health Policy and Research (OHPR) requests retroactive authority to apply for a State Planning and Establishment Grant for the Affordable Care Act's Exchanges Funding Opportunity Number: IE-HBE-10-001 (CFDA: 93.525).

Legislation Affected

This grant will facilitate the implementation of a detailed Health Insurance Exchange business plan as directed by HB 2009.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Scherzinger', with a stylized flourish extending to the right.

Jim Scherzinger
Deputy Director of Finance

CC: Sheila Baker, Legislative Fiscal Office
Linda Ames, Legislative Fiscal Office
Blake Johnson, Department of Administrative Services