

# LC 471: State-Based Exchange Technology Platform

## Oregon Depends on a Inflexible Federal Platform for Its Health Insurance Marketplace

When people in Oregon seek health insurance plans as provided by the Patient Protection and Affordable Care Act (ACA), they currently must use the federally facilitated marketplace (FFM), known as HealthCare.gov. The FFM is a one-size-fits-all solution, designed for use by many states. It cannot be customized according to Oregon's needs, preferences, or requirements. Special programs and eligibility provisions that may serve state residents – such as those for Healthier Oregon – cannot be integrated into the FFM.

Oregon does not own or have real-time access to the enrollment or demographic data for Oregonians who participate through the FFM, which inhibits OHA's goal to eliminate health inequities by 2030.

## A State-Based Exchange Will Better Serve Oregon

This legislative concept directs OHA to transition Oregon to a state-based exchange (SBE), through which people in Oregon will enroll in health plans starting in the 2027 plan year.

**Special Programs:** Migration to a state based exchange (SBE) will provide the flexibility Oregon needs to implement special programs targeted to address health inequities. This could include extending open enrollment periods, creating special enrollment periods for emergency situations or special populations, offering smoothing transitions to or from the Oregon Health Plan (OHP), and creation of automated premium assistance programs.

**Better Data:** A state-based exchange will allow Oregon access to real-time data, to be used to focus education, marketing, and outreach efforts to eliminate health inequities. Collection of data, particularly on race and ethnicity, is widely recognized as fundamental to understanding enrollment disparities. Additional and more reliable data will allow Oregon to refine its outreach and communication strategies, both overall and in real time to reach prioritized communities. This would enable more intentional efforts to enroll disproportionately uninsured people, including people of color and rural residents. Collection of refined data would also allow Oregon to ensure adequate translation and interpretation services are available to help people with limited English proficiency or English as a second language complete the application or to communicate effectively with navigators, agents and brokers, or the call center.

**Cost Savings:** The FFM charges Oregon insurers over \$20 million per year in assessments, which in turn are passed onto consumers through increased health insurance premiums. Case studies have shown that there is a competitive market with reliable vendors that have created off-the-shelf SBE platform solutions. A state of Oregon's size can operate such a platform for

an estimated \$10 million per year, potentially saving Oregon roughly \$10 million or more annually. These cost savings could help reduce premiums and support special programs designed to benefit those who are subject to health inequities.

**Innovations in Care:** Other ways a state-based exchange could benefit Oregon include:

- ▶ **Bridge Plan:** Under the FFM, the state has only limited options for reducing “churn” – that is, people going on and off Medicaid frequently as their income fluctuates or situation changes. A state-based exchange could support a “bridge plan” for people with income from 139 percent to 200 percent of federal poverty level, with smooth transitions between that plan and the Oregon Health Plan (OHP).
- ▶ **Targeted state premium or cost-sharing subsidies:** Several states with state-based exchanges offer state-funded subsidies to make premiums and cost-sharing more affordable. FFM states cannot do this, partly because the FFM cannot support modifications to accommodate such reforms.
- ▶ **Choice architecture:** Matching people who are no longer eligible for OHP into comparable, less-costly plans and facilitating automatic enrollment based on tax return information would be possible with a state-based exchange.

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