Agenda

Oregon Health Insurance Exchange Corporation
December 16, 2011

8:00am- 12:00pm
Legacy, Meridian Park
Education Building, Room 117
19300 SW 65th Avenue
Tualatin, OR 97062

Agenda Item	Presenter	Type of Item
8:00 **Welcome, Introductions, Agenda Overview** **Consent Agenda:** 11/22/11 Meeting Minutes	Chair	**Action**
8:10 **Director's Report**	Rocky King	**Inform**
8:20 **Business Plan Review**	Amy Fauver, Rocky King Steve Ferree	**Input**
10:20 **Break**		
10:35 **Business Plan: Public Input**		
10:55 **Exchange IT Project Overview**	Aaron Karjala	**Inform**
11:15 **Exchange Development Update**	Rocky King	**Inform**
11:55 **Public Input**	Chair	

Next Meeting:
January 11, 2012 (tentative)
Time and Location TBA

Minutes

Oregon Health Insurance Exchange Corporation Board of Directors Meeting
November 22, 2011

Meeting called to order: 1:27pm
Meeting adjourned: 5:07pm

Board Members Present: Ken L. Allen; Teri G. Andrews; Elizabeth "Liz" C. Baxter; George J. Brown, MD; Aelea Christofferson (via teleconference); Bruce Goldberg, MD; Jose B. Gonzales; Teresa D. Miller; Gretchen Peterson.

ORHIX Staff Present: Amy Fauver, Kelly Harms, Rocky King, Rachel Oh.

Others in Attendance: Diana Bianco, Steve Ferree, Lavinia Goto, Jon Jurevic, Jim Lussier.

AGENDA ITEMS	DISCUSSION
Consent Agenda	**Ms. Baxter moved to approve the minutes from the November 1, 2011 Board meeting. Ms. Christofferson seconded. Motion passed unanimously.**
Director's Report – *Rocky King*	Mr. King provided a staffing update, stating that Ms. Miller has accepted a job with the Washington D.C. entity charged with coordinating the rollout of health insurance exchanges nationwide under the Affordable Care Act (ACA). He reviewed contract status with Point B, an information technology (IT) firm that will help manage the overarching technology project in alignment with efforts of the Oregon Health Authority (OHA). Mr. King added that a contract with Quality Corporation (Q-Corp) is near finalization and that Q-Corp will help attain consistency in plan standards among various state agencies. Mr. King announced the availability of the new, temporary website for the Oregon Health Insurance Exchange (ORHIX), www.orhix.org. He reviewed collaborative work with the insurance division related to re-insurance and risk adjustment modeling and modeling the three risk adjustment programs using 2010 carrier data. This work will help prepare for future rate adjustments and is funded through the federal level one grant. Mr. King stated that he, Ms. Baxter and Ms. Andrews presented to the Joint Health Care Committee and various legislators and summarized those discussions. He stated that the recent Federal Gateway Review of our IT project went well and Oregon is viewed very favorably with regard to our progress. Mr. King reviewed the storyboarding process underway at the staff level and affirmed that the financial modeling necessary for the business plan is being carefully crafted using accurate ranges. He added that a legislative training session will soon be made available to the Board. He also reviewed the current work of

Director's Report – *(cont.)*	various internal work groups, consumer groups and community organizations. Mr. King stated that a finalized contract with Sandstrom Partners (Sandstrom) will be provided to the Board soon and members are encouraged to ask questions regarding the communications plan Sandstrom will be developing. Mr. Goldberg asked why the Board hasn't seen other contracts mentioned earlier and Mr. King explained that only contracts over $250k require Board review, as per the ORHIX bylaws. Ms. Christofferson asked how much would be spent with Sandstrom prior to final legislative decisions. Mr. King stated that no project work is being held back pending legislative approval. Ms. Baxter asked how much the Board will learn from the various work groups and Mr. King said that for now, these groups operate on the technical level with staff and that, in spring 2012, the results of this activity will be formally reported to the Board.
Consumer Advisory Committee – *Steve Ferree, Rachel Oh*	Ms. Oh introduced Mr. Ferree as the Vice Chair of the Consumer Advisory Committee (CAC). Mr. Ferree summarized the diversity and synergy of this 22-member Committee and noted the effectiveness of their work together. Ms. Baxter encouraged all Board members to join a future meeting to observe and appreciate the energy and effectiveness of this group.
Mission & Vision – *Diana Bianco*	Ms. Bianco reviewed discussion of the mission and vision and progress made since the November 1, 2011 Board retreat. Ms. Bianco opened the floor to Board comments. The Board agreed upon various revisions to the mission statement and further agreed to postpone additional work on the vision statement. Ms. Andrews moved to approve the following Mission Statement: "Improving the health of all Oregonians by providing coverage options, increasing access to information, and fostering quality and value in the healthcare system." Mr. Allen seconded. Motion passed unanimously.
Ends Discussion –*Diana Bianco, Jim Lussier*	Ms. Bianco reviewed work to-date on the ends statements that are designed as anchors for the Board's work. Mr. Lussier discussed the process of measuring progress against the ends statements. The Board reviewed the statements, which are intended to be aspirational in nature. Ms. Bianco and Mr. Lussier committed to working with staff to further refine the Ends Statements and return their work to the Board as part of the draft policy manual.
Policy Manual Update – *Diana Bianco*	Ms. Bianco reviewed changes made to the manual draft since the November Board retreat and led discussions on areas needing further discussion and refinement.
Business Plan and CAC Input – *Steve Ferree, Kelly Harms, Jon Jurevic, Rocky King*	Ms. Oh reviewed discussions held at the last Consumer Advisory Committee meeting and stated that two themes came to light; the exchanges as a single source of trusted information with the goal of simplifying the consumer experience and that the exchange should be proactive. She summarized discussions about agents

Business Plan and CAC Input – *(cont.)*	and navigators and potential training opportunities. Ms. Andrews asked for clarification on the role of a navigator and Ms. Oh stated that a navigator can be an agent but doesn't have to be licensed, and is envisioned to function more as a client services representative. Mr. King stated that the Business Plan ("the Plan") in its current form should be considered a template versus a final version and that a revised, populated version would be delivered to the Board in early December. Mr. King introduced Mr. Jurevic as the ORHIX Interim Chief Financial Officer. Mr. Jurevic summarized his view of managing projections within a start-up environment and discussed the projections and assumptions contained within the Plan. Mr. King summarized how administrative costs will be met through the end of 2014 and ORHIX's ability to place assessments into a capital fund to build a six-month reserve fund for use in 2015. Mr. Jurevic emphasized that the cost of IT will be the biggest challenge to anticipate due to need for continued refinement and cost of professional talent engagement. Mr. King reviewed anticipated enrollment rates and the impact on call center demand, and summarized the Gruber projection, adding that ORHIX is preparing projections at the estimated low, medium and high levels. Ms. Baxter asked what is required of Board members after they receive an update to the Plan and Mr. King asked the Board to review the Plan with three questions in mind: does the Plan explain who we are, what we do, and what these activities will cost. Ms. Peterson asked how much content from the Plan is being provided to legislators in advance and Mr. King explained that legislators have access to the same content as has been provided to the Board. The Board discussed the legislative approval process and timeline and outlined plans for additional review and eventual approval of the Plan prior to the February 2012 legislative session.
Public Comment – *open forum*	

Next Board Meeting:
December 16, 2011
Legacy, Meridian Park
Education Building, Room 117
19300 SW 65th Avenue
Tualatin, OR 97062
8:00am- 12:00pm

Oregon Health Insurance Exchange Corporation

Business Plan

February 2012

Draft December 9, 2011

Oregon Health Insurance Exchange Corporation
3414 Cherry Ave. N.E., Suite 190
Salem, OR 97303
www.orhix.org

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Executive Summary

PLACEHOLDER

Overview of the Oregon Health Insurance Exchange

Our Mission: Improving the health of all Oregonians by providing health coverage options, increasing access to information, and fostering quality and value in the health care system.

The Oregon Health Insurance Exchange is a central marketplace where consumers and small businesses can shop for health insurance plans and access federal tax credits to help them pay for coverage. Oregonians will be able to easily compare plans, find out if they are eligible for tax credits and other financial assistance, and enroll for health coverage through the Exchange website. They also will be able to shop and enroll by calling a toll-free number and working with community-based navigators and agents.

Value of the Exchange

The Oregon Health Exchange Corporation will fulfill its mission by providing the following services to Oregonians and businesses.

- **Central place to shop for insurance plans.** The Exchange will provide easy-to-compare information on health plan quality and price.
- **Reliable information and assistance.** The Exchange will provide information on how to best use health benefits to improve health as well as referrals to other resources if appropriate.
- **Focus on cost and value.** The Exchange can help control the underlying cost drivers in health care through the standards it sets for plans sold in the Exchange. This work will be done in concert with Oregon's other health transformation efforts.
- **Seamless eligibility and enrollment process.** With a single application, Oregonians can find and enroll in the health plan that best meets their needs.
- **Help paying for health coverage.** More Oregonians will be insured, with the help of federal tax credits or other assistance available through the Exchange that makes health care coverage more affordable.
- **Innovative plan options and simplified plan administration for small businesses.** Small business can allow their employees to choose an insurance company and plan through a defined contribution model.
- **Community-based assistance.** The Exchange will include a network of specially trained customer service staff, navigators, insurance agents, and other community-based organizations that will help guide Oregonians in all parts of the state through applying to the Exchange and enrolling in coverage.

Road to Oregon's Exchange

Oregon has been exploring the concept of a health insurance exchange for the past decade. A series of legislative acts, starting in 2007, culminated in the passage of Senate Bill 99, signed into law on June 22, 2011.

The *Patient Protection and Affordable Care Act,* signed into law in March 2010, requires all states to operate a health insurance exchange by January 1, 2014. States developing exchanges must receive readiness certification from the federal government in January 2013.

If states do not operate their own exchanges, the federal government will implement an exchange for them. By developing its own exchange, Oregon can ensure it meets the unique needs of the state's consumers, businesses, and health insurance market. It also gives Oregon the ability to be innovative in the design of plans offered through the Exchange, so it can better contribute to broader state health reforms under way.

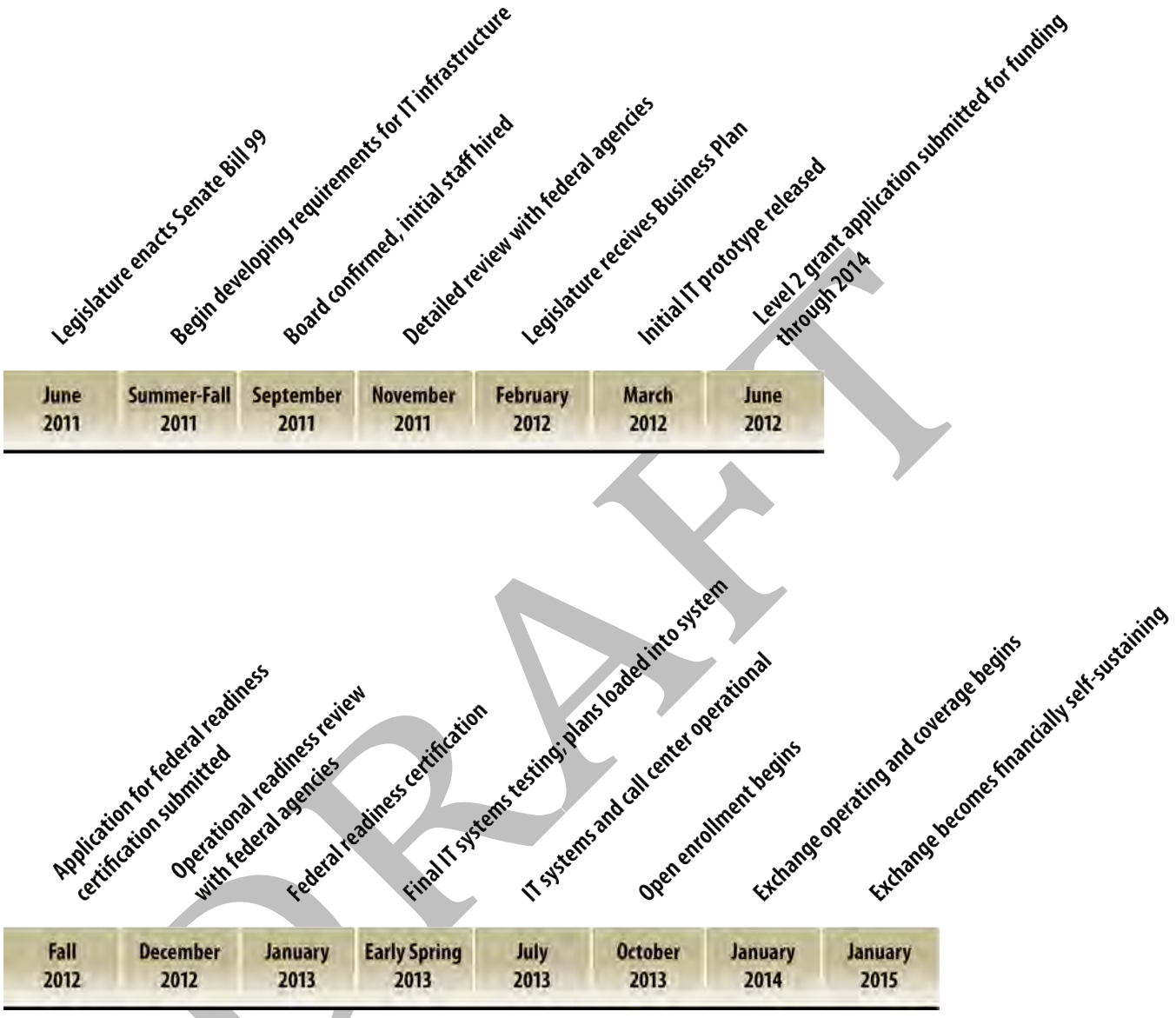
Senate Bill 99 established the Oregon Health Insurance Exchange as a public corporation, governed by a nine-member board of directors appointed by the Governor and confirmed by the Senate. The bill also created a bipartisan Legislative Oversight and Advisory Committee, composed of two representatives and two senators, to advise the corporation on matters concerning the implementation of the Health Insurance Exchange.

By developing its own exchange, Oregon can ensure it meets the unique needs of the state's consumers, businesses, and health insurance market.

Exchange board meetings are open to the public and allow for public participation through a public comment period. The legislation also established an Individual and Small Employer Consumer Advisory Committee to provide additional perspectives and input to the board.

The Exchange is funded by federal grants through 2014. To pay for operations beyond 2014, Senate Bill 99 establishes an administrative fee, which is a percentage of premiums for lives enrolled in the Exchange, charged to insurance companies. There is no state funding for start-up or ongoing operations of the Exchange.

*Timeline of Exchange Activities**



**Please see Appendix for more detailed operations timeline.*

What is the Exchange?

The Oregon Health Insurance Exchange is a central marketplace where consumers and small businesses can shop for health insurance plans and access federal tax credits to help them pay for coverage. Oregonians will be able to easily compare plans, find out if they are eligible for tax credits and other financial assistance, and enroll for health coverage through the Exchange's website. They also will be able to shop and enroll by calling a toll-free number and working with community-based navigators and agents.

The Exchange will serve two major customer groups: individual consumers and small businesses. While there will be similarities between the individual and small business products and services available in the Exchange, each portion of the Exchange will have unique characteristics and functions.

Individual Market Exchange

Plan comparison and selection

The Exchange's interactive web portal will allow consumers to make "apples-to-apples" comparisons of health insurance plans and costs. For example, a person could search for plans that include their doctor or hospital system, plans that have wellness programs or chronic disease management programs, plans that score highest on quality measures, or plans with the lowest costs.

Plans offered through the Exchange offer two distinct advantages to consumers. One, each plan will meet specific requirements set by the Exchange. The Exchange will use the federal minimum standard requirements as a baseline, potentially adding other requirements that ensure quality health plans are available across the state and that the types of plans available support other health system reforms in Oregon.

Second, the Exchange will grade each plan in areas like quality, care coordination, and network adequacy. Consumers will know that plans in the Exchange have been independently and objectively judged based on quality and value.

Eligibility and enrollment

The Exchange will be a central place Oregonians can go when looking for health coverage. Oregon's seamless, integrated systems will mean consumers can fill out one application through the Exchange to apply for and enroll in any type of health coverage.

By going online to the Exchange (or by filling out a paper application), Oregonians will be able to quickly find out if they are eligible to get help paying premiums for commercial health plans or if they are eligible for the Oregon Health Plan (Medicaid) or Healthy Kids (CHIP) program. The Exchange web portal will be able to pull from other state and federal data sources, cutting down the amount of paperwork that

Oregon's seamless, integrated systems will mean consumers can fill out one application through the Exchange to apply for and enroll in any type of health coverage.

has to be sent in and processed. Oregonians who do not qualify for federal or state assistance still can visit the Exchange to shop for and purchase health insurance plans.

Once the consumer has determined eligibility and chosen a health insurance plan, they can use the Exchange's web portal to enroll in the plan. Behind the scenes, the Exchange will forward information and the first month's premium payment (if applicable) securely to the insurance company or the Oregon Health Plan or Healthy Kids program. At that point, the insurance company will issue insurance cards and begin billing the consumer directly and coverage will begin. For consumers eligible for the Oregon Health Plan or the Healthy Kids program, the Exchange will transfer the enrollment choices to the Oregon Health Authority, who will complete the enrollment process. This process will be invisible to the consumer.

The Exchange will seamlessly determine eligibility for tax credits and state programs such as Healthy Kids and the Oregon Health Plan. Eligibility requirements are below:

- *Individual commercial plans* – Children and adults who do not have access to affordable coverage through an employer
- *Federal tax credits* – Children and adults up to 400 percent of federal poverty level ($89,000 for a family of four in 2011)
- *Oregon Health Plan or Healthy Kids* – Children up to 300 percent of federal poverty level
- *Oregon Health Plan* – Adults up to 138 percent of federal poverty level

Tax credits

Starting in 2014, many Oregonians will receive assistance paying their monthly premium using a federal tax credit for health plans offered through the Exchange. Based on income, some will also get additional help with cost-sharing expenses, such as co-pays and deductibles. To be eligible for the tax credits, Oregonians must be U.S. citizens or legal immigrants and not be eligible for other affordable insurance coverage, such as through an employer.

The tax credit is determined during the application process and is on a sliding scale based on income and the insurance plan chosen. Once a person is determined eligible for the tax credit, they can choose to have it as an advance payment or receive the credit when they file their taxes. The advance payment lowers the premium a person pays each month and is paid by the federal Department of the Treasury directly to the insurance company.

The Exchange will have a simple-to-use premium calculator to help Oregonians estimate their monthly premium bill.

Individual tax credit scenarios:

EXAMPLE #1: Family of four with income of $50,000
Income as a percentage of federal poverty level: 224 percent
Premium for plan: $750 per month
Premium tax credit: $452.50 per month
Actual family contribution: $297.50 per month

EXAMPLE #2: 40-year-old individual with income of $30,000
Income as a percentage of federal poverty level: 261 percent
Premium for plan: $375 per month
Premium tax credit: $166 per month
Actual contribution $209 per month

Sources: U.S. Treasury, Kaiser Family Foundation.

Note: The premiums for plans in the examples are hypothetical; premiums have not yet been set for Exchange plans.

Small Business Health Options Program (SHOP)

Providing health insurance to their employees is becoming increasingly challenging for Oregon's small businesses, which account for more than 50 percent of the private sector jobs in the state, according to the Small Business Administration (SBA). Only about 35 percent of businesses with fewer than 10 employees offer health insurance to workers, according to the Medical Expenditure Panel Survey (MEPS). The Oregon Health Insurance Exchange will make it easier for small businesses to offer insurance to their employees by providing expanded options for employers and their employees under a defined contribution model that reduces the administrative burden.

More options for employers and employees: defined contribution model

Although still awaiting federal requirements for SHOP, the Exchange has explored four major directions for plans offered in SHOP, including:

1. *Traditional.* The employer chooses one insurance company and plan that their employees must enroll in.
2. *Plan bundling.* The employer chooses one insurance company, but lets their employees select from all plans offered by that company.
3. *Multiple companies/one plan.* The employer selects a benefit plan level – such as bronze, silver, gold, and platinum, explained on page 13 – and the employees can select a plan from all companies.
4. *Full choice.* Employees can select from all companies and all plans.

The Oregon Health Insurance Exchange will make it easier for small businesses to offer insurance to their employees by providing expanded options for employers and their employees under a defined contribution model that reduces the administrative burden.

The fourth option, full choice, has resonated with the small business community and meets the Exchange's goal of providing innovative health insurance options to Oregonians. Known as a defined contribution model, option No. 4 would allow employers to pay a certain percentage of premiums or a set dollar amount and give their employees as much choice as they want. The Exchange will continue to work with the insurance community and small businesses on designing the defined contribution model.

Reduced administrative burden

Instead of having to research multiple insurance companies, small employers with 50 or fewer employees will be able to visit the Exchange website to choose insurance options for their employees. Once the employer makes its selections, employees can go to the Exchange to enroll. Although employees may select a range of plans from a range of carriers, the employers will only have to pay one bill to the Exchange, and the Exchange will remit the premiums to the participating insurance companies.

Tax credits

The Exchange also will help small businesses determine whether they are eligible for a federal tax credit to help cover the cost of coverage. The credit is designed to encourage small employers to offer health insurance coverage for the first time or maintain coverage they already have. While the Exchange will perform a preliminary calculation to determine whether employers may be eligible for the tax credit, the credit will be administered by the IRS. The Exchange will encourage employers to contact their tax adviser to take advantage of the credit.

To qualify for the tax credit, small businesses must:

- Provide health insurance to employees and cover at least 50 percent of the cost of coverage
- Employ less than the equivalent of 25 full-time workers (for example, an employer with fewer than 50 half-time workers may be eligible.)
- Pay average annual wages below $50,000.

Employers can be for-profit or tax-exempt. In 2014, the tax credit is worth up to 50 percent of a small business' premium costs (35 percent for tax-exempt employers). The tax credit phases out gradually for firms with average wages between $25,000 and $50,000 and for firms with the equivalent of between 10 and 25 full-time workers.

Small business tax credit scenarios:

EXAMPLE #1: Auto repair shop with 10 full-time employees
Wages: $250,000 total, or $25,000 per worker
Employee health care costs: $70,000
2014 tax credit: $35,000 (50 percent credit)

EXAMPLE #2: Restaurant with 40 part-time employees
Wages: $500,000 total, or $25,000 per full-time equivalent worker
Employee health care costs: $240,000
2014 tax credit: $40,000 (50 percent credit with phase-out)

EXAMPLE #3: Foster care nonprofit with 9 full-time employees
Wages: $198,000, or $22,000 per worker
Employee health care costs: $72,000
2014 tax credit: $25,200 (35 percent credit)

Source: IRS

Information for Better Health

Having insurance is a first step toward better health, but it is important to use health care services wisely – both to improve health and to keep unnecessary costs down. The Exchange will provide consumers with information and tools they need to best use their insurance benefits to improve health.

With so much information available to consumers, it can be difficult to judge which sources are reliable and trustworthy and which ones are less helpful. The Exchange will link people with the best resources available for all things health, such as exercise and nutrition, managing chronic health conditions, immunizations, and talking to your doctor. The Exchange also will connect consumers with helpful services offered by their health plans, such as nurse advice lines and preventive wellness programs.

For many Oregonians, the Exchange will be their first experience using health insurance and many of the terms will be unfamiliar or intimidating. The Exchange will help consumers learn the difference between co-pays and co-insurance, know what a deductible is, and understand what their benefits actually cover in ways that are easy to understand and use.

The Exchange will provide consumers with information and tools they need to best use their insurance benefits to improve health.

As part of its outreach and educational efforts, the Exchange Corporation will develop culturally appropriate materials in multiple languages using a variety of mediums, such as brochures, web pages, short informational videos, and social media (like Facebook or Twitter).

The Exchange will also provide referrals for all Oregonians to health care and health insurance resources within their local communities through the web portal and the customer call center.

Exchange Plan Requirements and Grading

The Oregon Health Insurance Exchange Corporation will establish quality standards for plans sold in the Exchange. In addition to certifying plans, the corporation will grade plans on a variety of criteria and publish those grades so that consumers can make meaningful comparisons.

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Certification of plans

The *Affordable Care Act* lays out general standards for "Qualified Health Plans (QHPs)" that will be certified by the state Exchanges. To be certified as a QHP, plans will have to provide essential health benefits, follow established limits on cost-sharing (like deductibles, co-payments, and out-of-pocket maximum amounts), and meet other requirements.

The federal government is developing specific requirements for essential benefits and for QHPs sold in the Exchanges, but states have the ability to have additional requirements. In Oregon, the Exchange Corporation is working with its Individual and Small Employer Consumer Advisory Committee and technical workgroups to determine how to measure quality in health plans.

Qualified health plans on the Exchange will be categorized into the following levels of coverage. The levels are based on how much of total benefit costs the plans pay.

- *Bronze plan* – represents minimum creditable coverage. Bronze plans cover 60 percent of the benefit costs of the plan.
- *Silver plan* – covers 70 percent of the benefit costs of the plan.
- *Gold plan* – covers 80 percent of the benefit costs of the plan.
- *Platinum plan* – covers 90 percent of the benefit costs of the plan.

In the individual market, consumers under the age of 30 can buy a "catastrophic" plan. These plans will only be available in the Exchange and will provide a minimum level of coverage though they will provide some upfront preventive care.

To be certified to sell in the Exchange, insurance companies must agree to offer at least one silver plan and one gold plan. Additionally, all insurance companies in the individual and small group markets in Oregon must provide a bronze plan. Insurers also must be licensed and in good standing with the state, agree to charge the same premium for the same plan inside and outside of the Exchange, and meet other requirements to participate in the Exchange.

Grading of plans

The Exchange will publish grades for qualified health plans, to help consumers choose the plan that best meets their needs. The Exchange will grade plans on a variety of measures, including quality, care coordination, provider network adequacy, customer service, and price. The Exchange Corporation is working with Quality Corporation, the Oregon Health Authority, the Insurance Division, and stakeholder groups to establish consistent quality indicators while awaiting federal government regulations regarding grading.

The Corporation will work with the Insurance Division and the Oregon Health Authority to collect necessary information from insurance companies for certification and grading, so that companies submit information only once.

Customer Service and Outreach

In developing the Oregon Health Insurance Exchange, the corporation is centering its efforts around its two major customer groups: individual consumers and small businesses. To ensure it can best serve those groups, the corporation is developing a robust customer service program as well as a broad communications and outreach plan to reach all Oregonians.

The corporation is developing an extensive customer service program, including a call center with highly trained customer service staff, community-based "navigators," and insurance agents.

Customer Service

The Exchange will be a central place where Oregonians can turn for health coverage information and assistance. The corporation is developing an extensive customer service program, including a call center with highly trained customer service staff, community-based "navigators," and insurance agents.

Customers will be able to turn to the Exchange not only for help enrolling, but for referrals to other entities if necessary. Through its customer service program, the Exchange will provide the following:

- Expertise in eligibility, enrollment, and program specifications.
- Public education activities to raise awareness about the Exchange.
- Fair, accurate, and impartial information.
- Help enrolling in Exchange plans.
- Help for consumers with complaints about their plans.
- Information in appropriate languages for those with limited English proficiency.
- Accessible information for those with disabilities.

The Exchange will develop its customer service plan in spring 2012. An important part of that plan will be Oregon's "navigator" program, which will use community-based organizations to assist Oregonians throughout the state. In creating its navigator program, Oregon is looking to build off the success of similar local, grassroots assistance programs, such as the Senior Health Insurance Benefits Assistance (SHIBA) program and the Healthy Kids program. The SHIBA program uses community-based organizations and a network of volunteers throughout the state to assist Medicare beneficiaries and their families. The Healthy Kids program partnered with community organizations to help enroll more than 100,000 children.

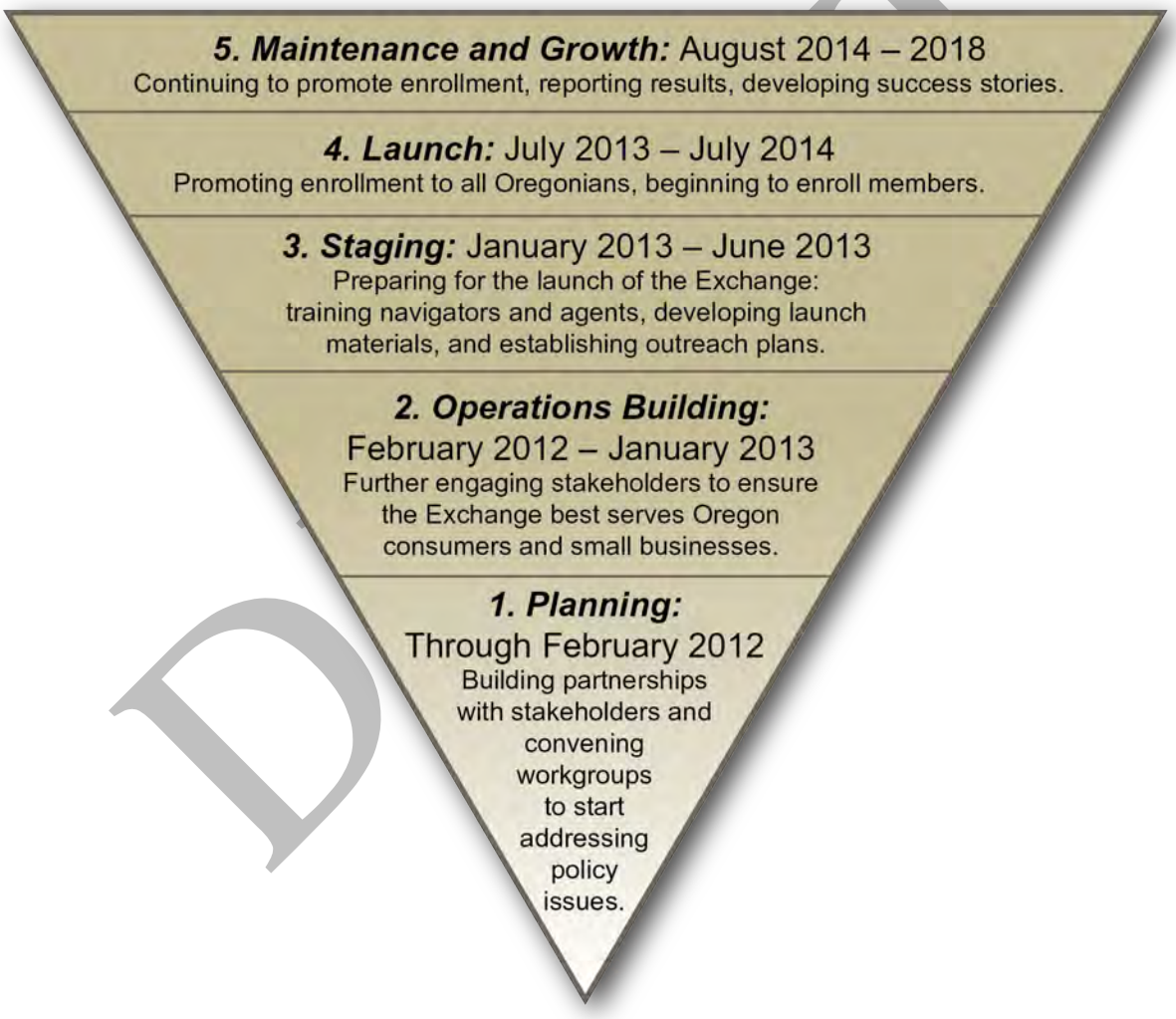
The corporation also views insurance agents as key to the Exchange's success. The corporation will develop a certification program for agents who sell plans in the Exchange and a referral service for consumers who request to work with an agent. In addition, the corporation is exploring ways to give agents the ability to sell all plans in

the Exchange – from a variety of insurance companies – and work on behalf of consumers.

Some consumers in particularly challenging or unique situations may need a higher level of assistance. The Exchange will have specially trained staff and partners throughout the state to help those Oregonians.

Communications and Outreach Plan

The Exchange is approaching communications and outreach in five phases, beginning with engaging stakeholders and developing partnerships, leading to a broader effort to educate Oregonians and small businesses about the Exchange so they are prepared to begin enrolling by 2014.



Technology Solution

Oregon is one of five states to receive a federal Early Innovator Grant to develop an IT solution to support its health insurance exchange. At the time Oregon received the Early Innovator Grant, the Department of Human Services (DHS) and the Oregon Health Authority (OHA) were modernizing and automating their aging eligibility systems and processes. Oregon chose to pursue a joint solution for determining eligibility for the Exchange and federal assistance programs such as Medicaid using an enterprise software platform of integrated commercial, off-the-shelf (or COTS) products.

An off-the-shelf technology solution allows Oregon to configure existing proven products to meet its needs, rather than use the time-consuming and expensive process of building new systems from scratch.

This solution allows Oregon to configure existing proven products to meet its needs, rather than use the time-consuming and expensive process of building new systems from scratch. It also gives the state the flexibility to integrate other systems into the enterprise platform over time.

As an Early Innovator state, Oregon is sharing its work products and solutions with other states and its federal funding partner.

Product selection

Oracle was chosen to provide the enterprise software platform after an extensive vendor selection process. One of the key elements of this platform is the "rules engine" that is the heart of the system's configurability. Using special word processing templates, business and policy analysts are able to convert program rules into Oracle formats to implement functions such as eligibility determination and financial management (billing and payments) into the web portal.

Development process

The team designing and developing the Exchange is using an "iterative process," which entails making incremental and evolutionary changes to the system every three weeks. This approach provides greater flexibility to adapt to changing requirements while moving the project forward.

Governance structure

The two-year project is managed by OHA. An Executive Steering Committee consisting of the directors of the Exchange, OHA, DHS, and the administrator of the Insurance Division provides governance for the project. There is also a Tactical Steering Committee, made up of staff from all the impacted agencies above, including Early Innovator project management staff, which is responsible for operational decisions. Oregon consults frequently with the federal Center for Consumer Information and Insurance Oversight (CCIIO), and undergoes rigorous, periodic "gate reviews" with the center to affirm the project is on target. OHA is also required to provide regular updates to the Oregon Legislature.

Enrollment and Financial Projections

PLACEHOLDER

Appendix

PLACEHOLDER

Information Technology Report

December 16, 2011

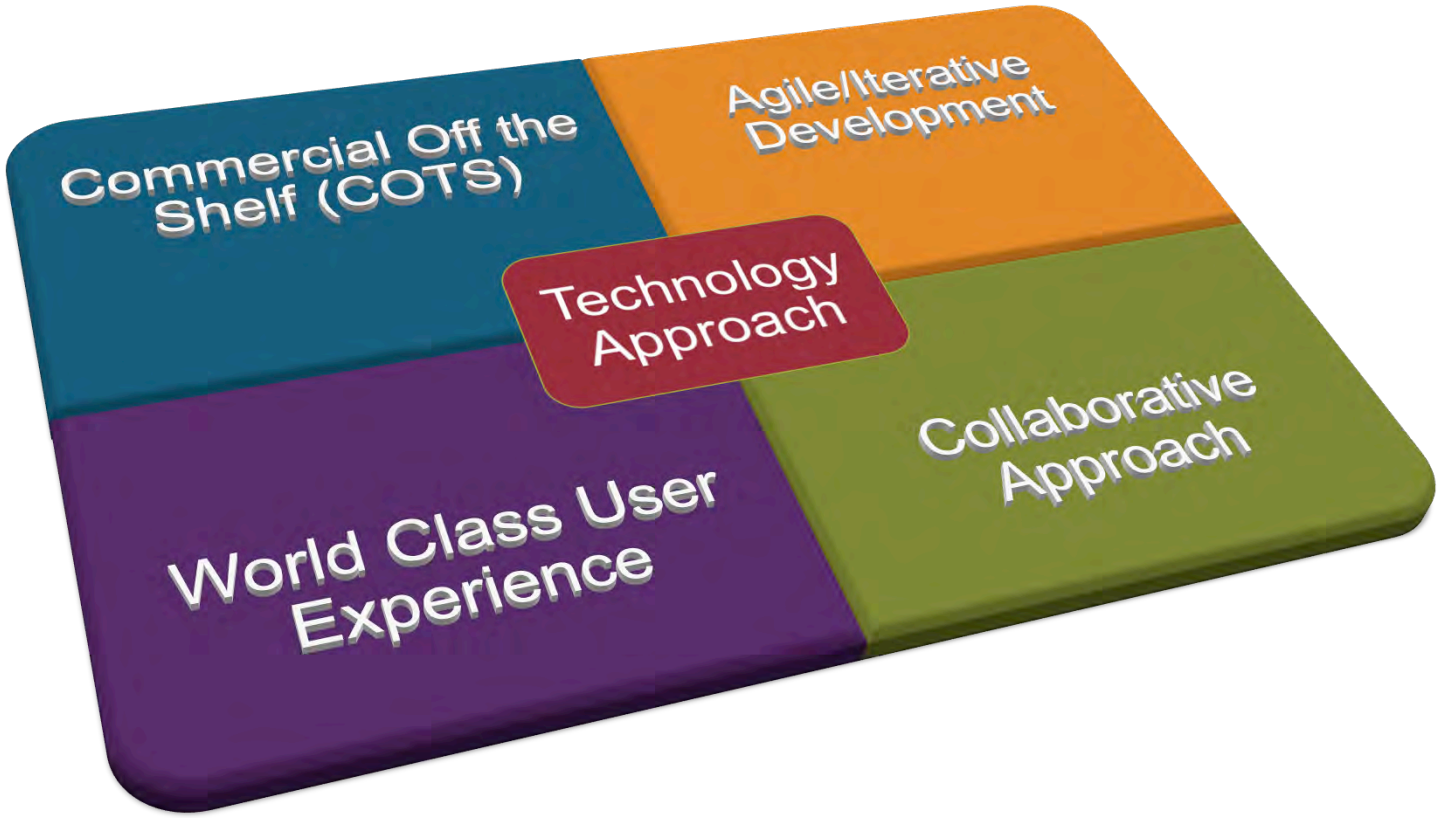
Aaron Karjala

Oregon Health Insurance Exchange Corporation

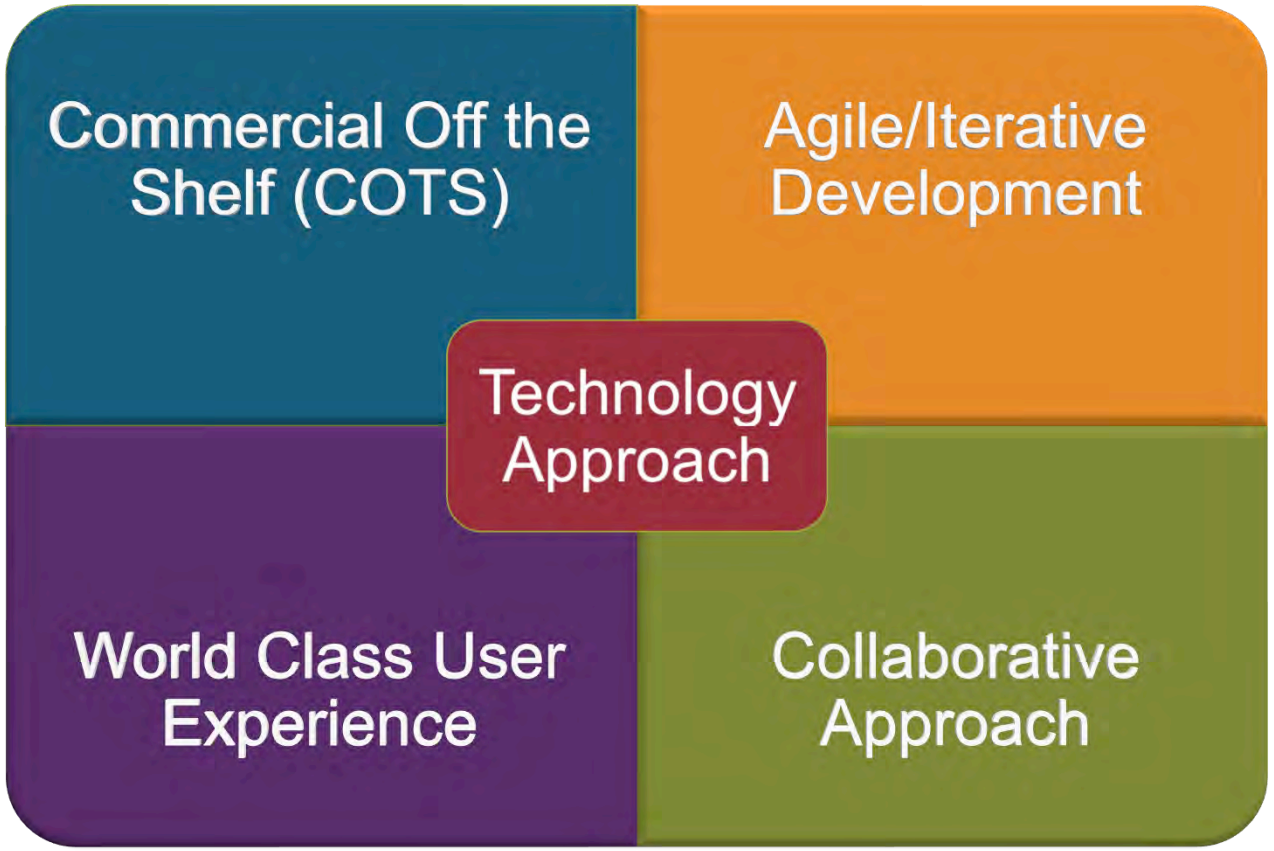
BACKGROUND

Date	Description
Fall 2009	DHS conducted a vendor fair to explore how to best automate their aging eligibility systems. Found a Commercial Off the Shelf (COTS) strategy to be most effective.
Dec 2010	Oregon Health Authority (OHA) applied for Early Innovator grant, leveraging 2009 COTS strategy.
Feb 2011	OHA received $48M from the Center for Consumer Information and Insurance Oversight (CCIIO) and $7M from the Center for Medicare and Medicaid Services (CMS).
June 2011	Legislature enacted Senate Bill 99 establishing the Exchange Corporation.
July 2011	OHA chose Oracle Health and Human Services COTS solution. Exchange Corporation partnered with OHA for exchange information technology development.

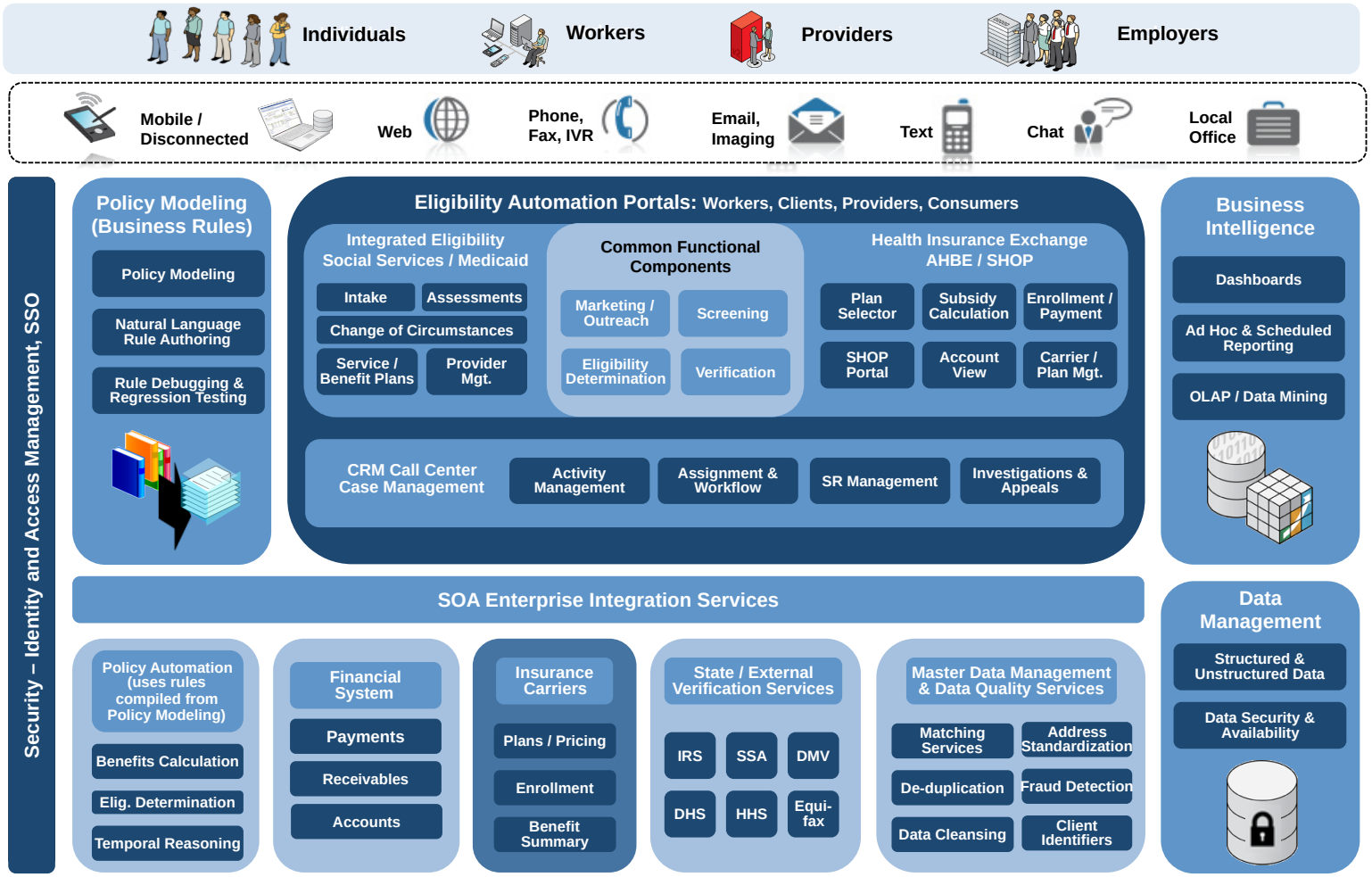
TECHNOLOGY APPROACH



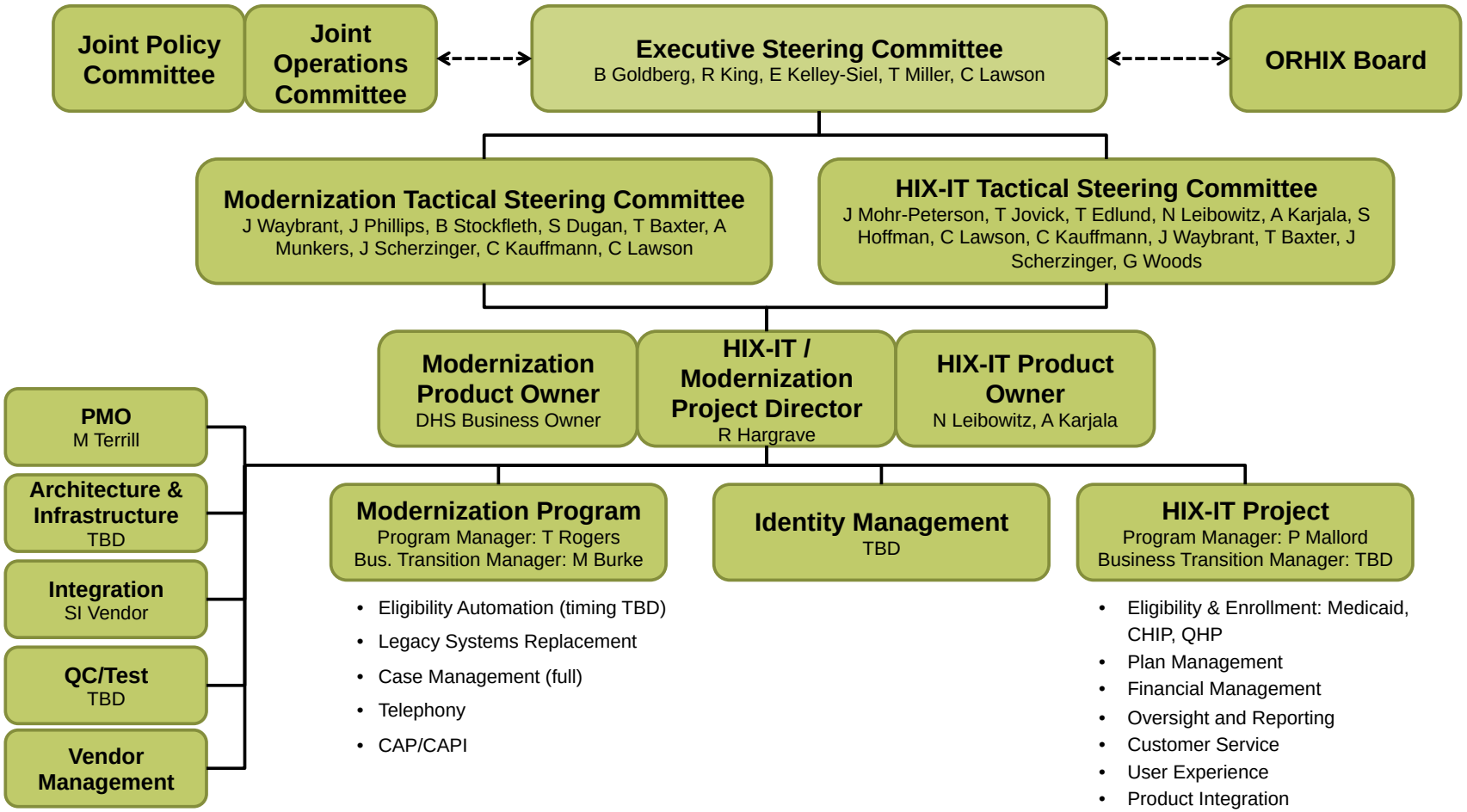
TECHNOLOGY APPROACH



TECHNOLOGY – ONE VIEW



TECHNOLOGY GOVERNANCE



BACKGROUND

Risk	Mitigations
Aggressive Timeline	• Focused Project Management • Close Partnership with OHA and Feds • Prioritize Effort in Critical Exchange Areas
Requirements • Continuously Emerging • Sheer Number – 2,000 to 3,000 • Complexity	• Iterative Project Approach • Prioritization of Work • Scope Management
Complexity of Interfaces/Integration	• "Open" COTS Software – Built for Integration • Good Definition of Information (Data) and Where It Resides • Define and Adhere to Standards
Managing Multiple Organizations	• Active Governance Structure and Processes • Exchange Corporation Performance Management Process


Questions?
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