

The OEGB Board has been working diligently over the past months on the plan renewals for the 2019-2020 plan year. Over that time there have been four main goals driving the work.

1. Align with the Legislature and OHA goals and objectives for advancing coordinated care, increased primary care and value-based payment methods;
2. Continue to move toward correct premium relativities between the plans offered;
3. Provide opportunity and incentive to all OEGB members to use coordinated care pathways; and
4. Achieve the 3.4% cost containment target.

Meeting all of these goals has been challenging for the Moda Health renewal. The central issue to many of the premium swings you will see below is around *Goal Number 2*. The current plans are out of cost alignment, which means that some members are paying more than they should while others have been paying far less than they should for the value of the benefit package.

Regarding Goals #1 & #3

Moda Health has needed to make a rather major change in its plan networks due to a number of reasons. Their proposed plan designs all offer their broadest network, Connexus, and no longer use Summit or Synergy. Each new plan offering features two levels of benefits. The richer level of benefits features lower cost shares for office visits and alternative care, as well as a lower deductible and lower out-of-pocket maximum. To receive the richer benefits the member simply needs to declare their primary care provider from the broad Connexus network of Coordinated Care Providers.

Regarding Goal #2

Aligning with the second goal increases the challenge with Moda's proposed portfolio of plans. As stated earlier, many of the plans are subsidized by the others, which means that not everyone has been contributing appropriately to the overall costs. Bringing the plans back into benefit alignment represents a bit of short-term pain for long term gain, in terms of premium stability. This misalignment is why the increases and decreases shown in Figure 1 on the following page vary so widely. Realignment *needs* to happen. Any renewal with uniform increases while the plans are out of alignment only exacerbates the problem for the coming years.

Regarding Goal #4

The *overall* cost increase of the Moda renewal does meet our fourth goal, but the impacts vary widely on a plan by plan basis. Again, Figure 1 lays out the premium increases as old plans are mapped to the proposed plans.

The Board has a very short timeframe to make renewal decisions, but wanted to share this material with you for your awareness and comment prior to that date. **Please email any comments and concerns to oebb.board@state.or.us no later than April 12.**

Figure 1

Moda Plans

Proposed Plans (Adjusted AV/Target Relativity)

Premium impact (illustrative):

- Based on an aggregate increase of 2.8% (not including the change in federal taxes/fees)
- Rates are based on each plan's actuarial value with some adjustments as presented during the March board meeting
- 40% of subscribers have a decreased premium rate, 25% have 0 – 5% rate increase, 35% experience a rate increase over 5%

		# Subscribers	Current Composite Rate	New Plan (Deductible)	New Composite Rate	\$ Change 2019 – 2020	% Change 2019 – 2020	% Change 2020 – 2021
PPO	Alder		N/A	\$400	\$1,530			3.4%
	Birch	5,836	\$1,505	\$800	\$1,423	-\$82	-5.4%	3.4%
	Cedar	2,892	\$1,394	\$1,200	\$1,338	-\$56	-4.0%	3.4%
	Dogwood	7,424	\$1,294	\$1,600	\$1,270	-\$24	-1.8%	3.4%
				\$2,000	\$1,174	-\$120	-9.3%	3.4%
	Evergreen	7,107	\$1,161	\$1,600 HSA	\$1,202	\$41	3.5%	3.4%
Summit/Synergy	Fir	406	\$1,137	\$2,000 HSA	\$1,122	-\$15	-1.3%	3.4%
	Alder	3,169	\$1,530	\$400	\$1,530	\$0	0.0%	3.4%
	Birch	1,636	\$1,354	\$800	\$1,423	\$69	5.1%	3.4%
	Cedar	1,628	\$1,255	\$1,200	\$1,338	\$83	6.6%	3.4%
	Dogwood	5,011	\$1,165	\$1,600	\$1,270	\$105	9.1%	3.4%
				\$2,000	\$1,174	\$9	0.8%	3.4%
	Evergreen	5,398	\$1,045	\$1,600 HSA	\$1,202	\$157	15.0%	3.4%
	Fir	977	\$1,024	\$2,000 HSA	\$1,122	\$98	9.6%	3.4%