



# Welcome to Regence HSA Healthplan 2.0<sup>SM</sup> Product Training



Regence

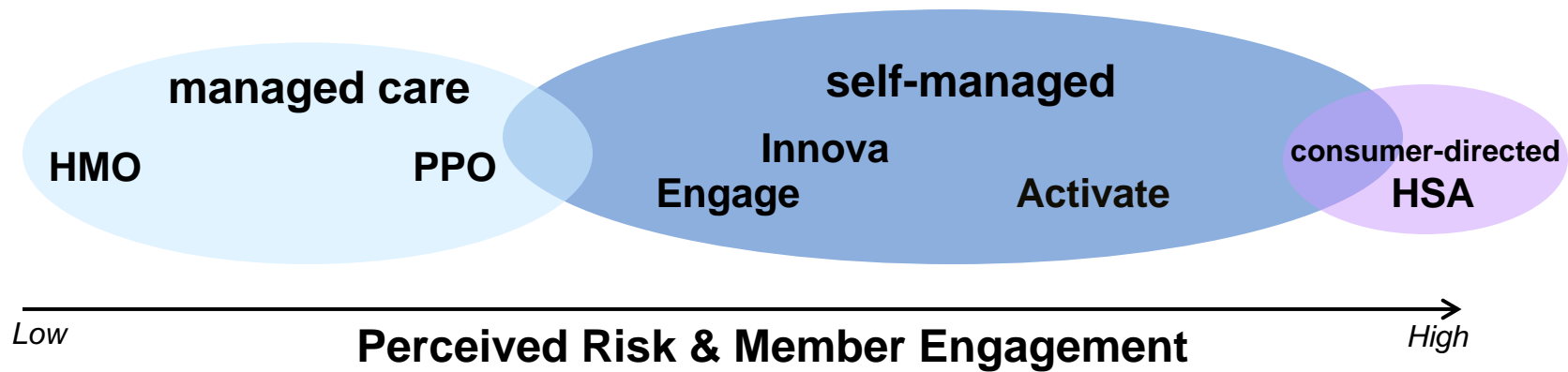
Together, we can take charge.<sup>SM</sup>



# Training Overview

- Introduction to Regence HSA Healthplan 2.0
- Banking Services
- 2-99 BlueChoices Transition
- Oregon Senate Bill 329
- General Updates

# Employer Transition to Self-Managed Plans



<b>Member Behavior</b>	Passive	Engaged	Proactive
<b>Provider Choice</b>	Restricted	Category Choices	No Restrictions
<b>Rewards</b>	None	Wellness 'Virtual dollars'	Tax Savings



# HSA Healthplan 2.0 Options

Cost  
Exposure



	Traditional HSA	Embedded HSA	HSA 100
Deductible Options	\$1,500/\$3,000 \$2,500/\$5,000 \$3,500/\$7,000	\$3,000 /\$5,000 \$3,000 /\$7,000	\$5,000/\$10,000
Deductible Rules	<ul style="list-style-type: none"> <li>Individual and family treated as different products</li> <li>Must hit family deductible before any family member gets benefits</li> </ul>	<ul style="list-style-type: none"> <li>Individual and family plans sold as one product</li> <li>One member of the family can get benefits when they hit the \$3,000 deductible.</li> </ul>	<ul style="list-style-type: none"> <li>Same as a Traditional HSA</li> </ul>
Coinsurance	80/60/60	80/60/60	100/100/100
Upfront Preventive Care	Yes No annual max	Yes No annual max	<b>No</b> No annual max after the deductible

**Out of pocket max for all category of providers:  
5,000 Individual / 10,000 Family**



# Embedded HSA Option

- An optional individual \$3K deductible within the \$5K and \$7K family options, allowing one family member to receive coinsurance benefits before the family deductible is met

## How it Works

- Family of three on \$5k deductible (\$10k out of pocket max) with \$3k embedded deductible option
- Dad has \$3,000 in medical expenses
  - Dad has met his \$3,000 individual deductible and gets coinsurance benefits
  - Mom and baby continue to contribute towards family deductible

*and*
- Mom and/or baby have \$2,000 in medical expenses
  - The combined expenses have met the family deductible
  - Entire family now receives coinsurance coverage

*or*
- Dad has an additional \$7,000 (out-of-pocket) in medical expenses
  - Dad has met the \$10,000 family OOP Max
  - Entire family now receives 100% coverage



## Focus on Prevention and Wellness

- The \$25 myRegence.com Rewards can now go to a member's HSA account – (available 03/09)
- Separate benefits for preventive – (except HSA 100)
- Vitality<sup>SM</sup> is available for 100+ groups

# HSA Healthplan 2.0 Benefit Comparison to Current Legacy Plan - Oregon

Plan Highlights	HSA 2.0	Current HSA plan
Networks	Category 1 Preferred Category 2 Participating Category 3 Non-contracted	In-Network (Preferred /Participating) Out-of-Network (Non-Preferred/Non-Participating)
Out-of-pocket maximum for individual and family	One out-of-pocket maximum for all categories of providers	Two out-of-pocket accumulations: In-Network:\$5k ind/\$10k fam Out-of-Network: No maximum
Professional Services	Growth hormone covered under pharmacy with no benefit limit	Growth hormone limited to \$20,000 per calendar year
Preventive Care	Included in all plans except HSA 100: No benefit limits No deductible Coinsurance applies Routine Colonoscopy covered as preventive	No benefit limit  No deductible Coinsurance applies



# HSA Healthplan 2.0 Benefit Comparison to Current Legacy Plan - Oregon

Plan Highlights	HSA 2.0	Current HSA plan
Accidental Injury	Medical services covered after deductible and coinsurance. Injury to teeth excluded	Dental care for treatment of accidental injury to sound natural teeth or fractured jaw \$1,000 per calendar year; diagnosis must be made within 6 months and treatment within 12 months of injury Covered under medical after deductible and coinsurance.
Ambulance Services	No benefit limit Covered at Category 1 level after deductible	\$5,000 per calendar year (ground and air ambulance) Deductible & coinsurance apply
Diabetic Education	No benefit limit	One self-management program (3 hours per year for assessment and training)



# HSA Healthplan 2.0 Benefit Comparison to Current Legacy Plan - Oregon

Plan Highlights	HSA 2.0	Current HSA plan
Durable Medical Equipment	\$7,500 per calendar year (no benefit limit for diabetic and life saving equipment)	No benefit limit
Neurodevelopmental Therapy	\$1,500 per calendar year	No benefit limit
Nutritional Counseling	3 visits per lifetime for all conditions (no limit for diabetic) Deductible and coinsurance apply	Not covered
Rehabilitation Services	Inpatient \$25,000 per calendar year	Inpatient \$15,000 per calendar year

# Dual Option Benefit Selection Rules and Eligibility

- HSA 2.0 cannot be offered as a dual choice with Activate
- HSA 2.0 can only be paired with these specific Innova and Engage plans
- Riders must match, where available
- Pharmacy benefits are required on both plans
- Requires minimum of 10 enrolled employees
- Minimum of 2 employees enrolled on each option



# Enhanced Rx Features

Integration of medical and Rx deductible allows:

- Claims data shared daily for up-to-date accumulator information
- The member no longer pays 100% and then reimbursed – Now, the member pays 20% coinsurance after deductible.
- Value based Rx benefit option for 100+ group (asthma, diabetes, high blood pressure, high cholesterol, or tobacco addiction).
  - 20% co-insurance applies
  - Not available with HSA 100



# Personalized Member Support

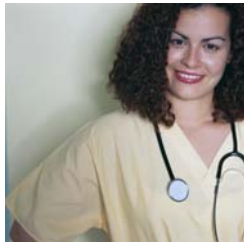
## Specially Trained Customer Service Specialists

- Help maximize value
- Ask and direct members to information about taxes, banking, investment, and consumerism
- Encourage engagement
- Proactive outreach



member

## CareEnhance Nurseline



- 24/7 support
- Medical questions
- Follow-up

## Regence Health Coach

- 1:1 Coaching
- Personalized support





# HSA Support on myRegence.com

- Provides one stop resource with access to health plan information and links to Regence Partner banks
- Drives & supports consumerism with valuable tools

## The HSA and myRegence.com

### Advise, Navigate, Reward

- HSA Navigational Guide
- Partner bank links
- \$25 HSA deposit opportunity
- CDH-based articles
- Claims information

### Community Support

- Discussion threads
- Ask the HSA Expert
  - Common questions
  - Coordination of benefits
  - Qualified expenses
  - Spending from the account



# HSA Navigational Guide

## Simple Navigation

myRegence.com  
advise.navigate.reward.  
Powered by The Regence Engine

HOME GETTING STARTED PERSONALIZE YOUR PLAN MAXIMIZE YOUR BUDGET FREQUENTLY ASKED QUESTIONS

Getting Started

Personalize Your Plan

Frequently Asked Questions

Maximize Your Budget

## Interactive Lessons

myRegence.com  
advise.navigate.reward.  
Powered by The Regence Engine

HOME GETTING STARTED PERSONALIZE YOUR PLAN MAXIMIZE YOUR BUDGET FREQUENTLY ASKED QUESTIONS

Getting Started

### Learn the Basics

**1 Contributing**  
Each month, your health care dollars pay for your [health plan](#). Additional funds can go into your HSA.

Health Plan DEDUCTIBLE

Health Savings Account

skip »

## Detailed Information

myRegence.com  
advise.navigate.reward.  
Powered by The Regence Engine

HOME GETTING STARTED PERSONALIZE YOUR PLAN MAXIMIZE YOUR BUDGET FREQUENTLY ASKED QUESTIONS

Maximize Your Budget | Taxes and Your HSA

## HSA Tax 101

**How It Works**  
Depending on the type of coverage you have, your HSA tax savings will be seen at different times.

*If you receive coverage through your employer, and your employer participates in a section 125 cafeteria plan, your contributions can be deducted from your paycheck on a pre-tax basis. Ask your benefit administrator for details on how this is set up.*

*If you have individual coverage, your contributions to your HSA will initially be made with post-tax dollars. You can then deduct them from your taxable income at the end of the year.*

You will receive a form in the mail at the end of the year that you'll use in your tax filing. See our [Tax Filing Guide](#) for details on how this works.

Get answers to your tax questions in our [FAQ](#)

Did you know?

**Triple Tax Savings**

**Pre-Tax Contributions**  
Contributions to your HSA from both you and your employer are tax-free. As your total taxable income is lowered, you owe less in taxes at the end of the year.

## Comprehensive FAQs

myRegence.com  
advise.navigate.reward.  
Powered by The Regence Engine

HOME GETTING STARTED PERSONALIZE YOUR PLAN MAXIMIZE YOUR BUDGET FREQUENTLY ASKED QUESTIONS

## Frequently Asked Questions

HSA Basics Health Plan **Contributing** Spending Investing Taxes Misc

**Q: How do I make contributions to my HSA?**  
A: If you have coverage through your employer, both you and your employer can make contributions on your behalf. Contributions are typically made via check, payroll deduction, or automatic funds withdrawal through your employer. If you are on individual coverage, you make your own contributions via check or automatic funds withdrawal. Post-tax HSA contributions are deductible on your tax return. Total contributions from all sources cannot exceed the annual contribution limits established by the US Treasury.

**Q: Who can contribute to my HSA?**  
A: Contributions to your HSA can be made by you, your employer, or another individual on your behalf.

**Q: What is the maximum amount I can put into my HSA each year?**  
A: For 2009, the maximum annual contribution amount for those on single coverage is \$3,000 and for those on family coverage it is \$5,950.

# Enhanced Member Calculator

Cost Exposure



Regence HSA Healthplan | Regence

## Calculator

Print Information >>

### Plan Comparison Selector

Enter information here about the two health plans you would like to compare.

Where can I find this information?

**Non-HSA Plan**

Plan Name  
 Innova  Engage  Other

Deductible: \$500 single / \$1,500 family

Coinsurance Max: \$3,000 single / \$9,000 family

Your Monthly Premium: \$215

**HSA Plan**

Deductible: \$1,500 single / \$3,000 family

Out-of-Pocket Max:

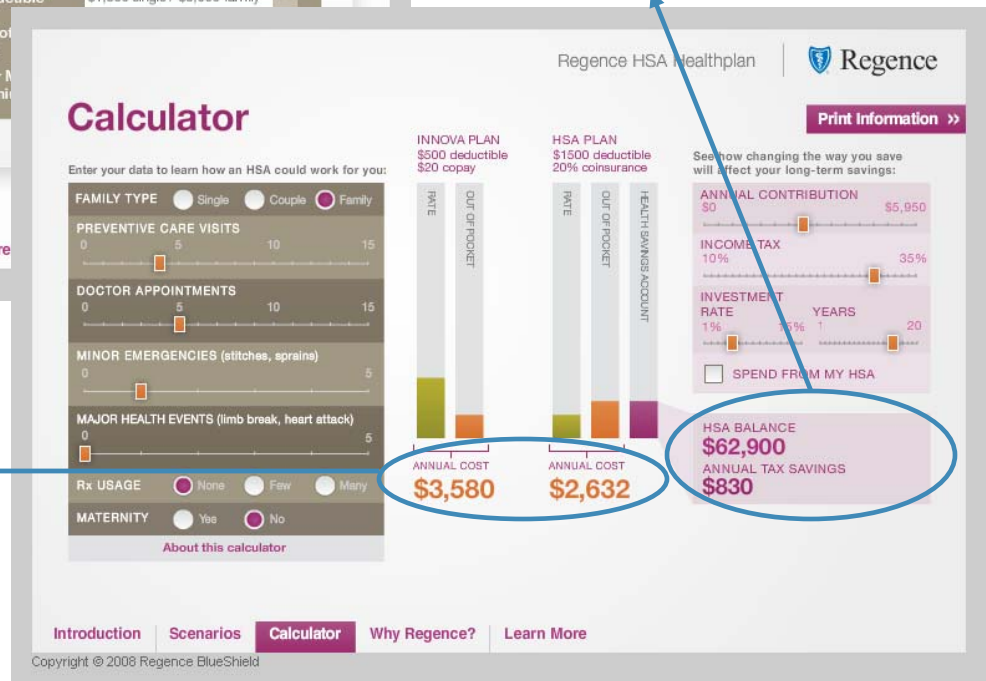
Your Monthly Premium:

Introduction | Scenarios | **Calculator** | Why Regence? | Learn More

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Select your specific plan options and monthly premium to get customized results

Play with different contribution amounts and investment factors to see savings grow, calculate your annual tax savings



See how your coverage options total out at the end of the year, taking into account your family's unique healthcare needs





# Funding HSA OOP Costs with Critical Illness Protection from RLH

## Critical Illness Protection (CIP)

<p><b>What is CIP?</b></p>	<p>Lump sum payment for specified illness or event (examples: Cancer, Heart Attack, Stroke)</p>
<p><b>Face Amounts</b></p>	<p>\$5k to \$100k in increments of \$5k</p>

- Freedom to choose how benefit is spent
  - ✓HSA deductible
  - ✓HSA OOP maximum
  - ✓Expenses not covered by HSA Healthplan
- Employer advantage
  - ✓No cost
  - ✓Softens HSA transition messaging

***Critical Illness Protection and Voluntary Dental  
not available in Washington***

# Regence HSA Healthplan 2.0

Regence offers a full-service HSA solution, with:

- A **robust benefit package** that combines comprehensive preventive care and wellness programs with solid coverage
- A full suite of **member tools and personalized support** to facilitate navigation at every step of the way
- **Full support to employers and employees** through open enrollment and beyond
- **Partnering with strong banks** that value a strong member experience





# Regence HSA Healthplan 2.0<sup>SM</sup>

## Banking



Together, we can take charge.<sup>SM</sup>

# Investment Options Summary



- Fund management:** TD Ameritrade Corporate Services
- Investment choices:** Stocks, Bonds, Mutual Funds
- ✓ **Minimum investment amount:** **None**
- Fees:** \$24.00\* - Annual Fee For Mutual Fund Investments
- Available education & planning tools:** YES
- ✓ **Employer can customize investment options:** **YES**
- Member can select more than one fund:** YES



- Fund management:** First American Funds & Fidelity Advisor Funds
- Investment choices:** Mutual Funds
- Minimum investment amount:** \$2500
- ✓ **Fees:** **\$0.00**
- Available education & planning tools:** YES
- Employer can customize employees investment options:** NO
- Member can select more than one fund:** YES



- Fund management:** Wells Fargo Funds Mgt. LLC
- Investment choices:** Wells Fargo Advantage Mutual Funds
- Minimum investment amount:** \$2000
- ✓ **Fees:** **\$0.00**
- Access to online planning tools:** YES
- Employer can customize employees investment options:** NO
- Member can select more than one fund:** YES

- Fee waived after balance reaches \$3,000
- Also, other fees may apply



# Comparison of Bank Programs\*

	HSA Bank	US Bank	Wells Fargo
Employer Assistance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Fee Structure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Website (Appearance)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Website (Ease of Use)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Customer Service	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Brand Recognition	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Enrollment Options	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Number of Investment Choices	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

\* Rankings based on past Regence HSA member experience and information provided in bank RFI responses 01/2008

Good     Better     Best



# Referral HSA Roles: Employer Activities

**Complete HSA employer agreement**

**Select contribution type & amounts**

**Communicate HSA information to employees**

**Collect & submit employee enrollment data or initiate on-line enrollment**

**Setup payroll deductions**

**Initiate contribution process**

**Employer**

# Referral HSA Roles: Employee Activities

Complete enrollment in HSA (online or printed app)

Submit required security/verification information

Select an account beneficiary

Activate debit card

Set up investment choices

Use HSA payment tools to pay for covered expenses (debit card, check or manual claim)

Employee

*Customer service and web access support*

# Referral HSA Roles: Bank Activities

Provide employer with necessary setup & enrollment tools

Assist with setup & enrollment decisions

Create employer group and member account records

Mail debit cards

Process financial transactions

Maintain HSA account records

Monthly statements


Provide tax reporting information



**HSA BANK**  
National Leader in Health Savings Accounts.



**usbank**  
Five Star Service Guaranteed



**WELLS FARGO** Health Benefit Services

*Bank assistance throughout implementation*



**Regence**

# Member Support Information



## Regence Customer Service or Website



-Healthcare coverage & claims information

## Partner Banks



- Employer HSA setup questions or forms
- Employee HSA enrollment questions or forms
- HSA account balance, transaction, and disbursement information
- HSA investment balances and other questions





# Building Awareness & Understanding

- **New** sales collateral
- **New** messaging around ownership and savings
- **New** creative and imaging
- Advertising - Web & print
- **New** co-marketing with our partner banks
- Web tutorial on Regence.com



## Employee



## Employer

	Non-HSA	HSA
Plan Cost	\$000	\$000
Admin Cost	\$000	\$000
Administrators	\$000	\$000
Cost	\$000	\$000
Annual Premium	\$000	\$000
Annual Deductible	\$000	\$000
SA Contributions	\$000	\$000
	\$000	\$000





# 2-99 Product Transition



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# 2-99 Product Transition

## Transition Of BlueChoices Products Starting with 3/1/09 Effective Dates

### 1. 2-99 Clark County and Oregon 51-99

- Existing groups may renew “as is” only on current BlueChoices products or move to Innova, Engage, Activate or HSA 2.0 products
- One exception, groups can drop Regence dental coverage if needed and remain on current BlueChoices medical product
- A change in deductible, co-insurance, vision benefits, chiropractic benefits, etc. means moving to Innova, Engage, Activate or HSA 2.0
- All new groups in these market segments will be on Innova, Engage, Activate or HSA 2.0 products

### 2. 2-50 Oregon

- For new and renewing business, BlueChoices **and** Innova, Engage, Activate and HSA 2.0 products available to groups in this market through 2009
- Beginning January 1, 2010, for new and renewing business, groups will move to Innova, Engage, Activate or HSA 2.0



# Scenario 1: Clever Advertising

Group Name: Clever Advertising

Characteristics: 65 covered contracts currently on BlueChoices Preferred

Effective Date: March 1, 2009

How will it work?

- Can choose to renew on current product “as is” or, can select from Innova, Engage, Activate or HSA 2.0 products
- Renewal letter will include information about new products and quote will highlight recommended sellover choices

# Scenario 2: Smokin' Hot Deals Used Cars

Group Name: Smokin' Hot Deals Used Cars

Characteristics: 35 covered contracts currently with Kaiser

Effective Date: June 1, 2009

How will it work?

- This group will have all available BlueChoices, Innova, Engage, Activate and HSA 2.0 products

# Scenario 3: Joey's Welding

Group Name: Joey's Welding

Characteristics: 15 covered contracts currently on BlueChoices Classic

Effective Date: January 1, 2009

How will it work?

- This group will have all available BlueChoices, Innova, Engage, Activate and HSA 2.0 products
- Renewal proposal will be released 10/31
  - Renewal letter will include information about new products and quote will highlight recommended sellover products
  - If needed, can make changes to existing products
- If have not made decision by 12/1, group could select HSA 2.0

# So, let's review...

- **Affects the transition of BlueChoices products starting with 3/1/09 effective dates**
- **2-99 Clark County and Oregon 51-99**
  - Existing groups may renew “as is” only on current BlueChoices products or move to Innova, Engage, Activate or HSA 2.0 products
- **2-50 Oregon**
  - For new groups and renewals, BlueChoices, HSA 2.0 and other products will be available through 2009
  - For new groups and renewals, beginning 01/01/2010, groups will move to Innova, Engage, Activate or HSA 2.0



# Regence Connections

**Michael Becker**  
**Regence Legislative &  
Regulatory Affairs**



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# OHFB: Building a Healthy Oregon

- Four goals

- **Contain** the annual increases in health care **costs**
- **Expand coverage** to Oregon's uninsured citizens
- **Continuously improve** quality, safety, efficiency & patient satisfaction in Oregon's health care systems
- **Improve** the **health** of ALL Oregonians



1. "Bring Everyone Under the Tent"

2. Set High Standards – Measure and Report



3. Stimulate System Innovation & Improvement



4. Unify Purchasing Power

5. Health Care  
Workforce

6. Health  
Equity for All

7. Federal  
Advocacy



8. Oregon Health Authority



# Set High Standards: Measure & Report



# Measurement, Data Collection and Uniform Standards

- 
- **Measurement/Transparency Tools: Uniform health care data collection program**
    - Payer contracts reporting
    - Monitor the “health” of the insurance market
    - Facility capital expenditure reporting
  - **Set High Standards for...**
    - Clinical quality measures
    - Evidence-based practice guidelines
    - Comparative effectiveness standards
    - End-of-Life care- POLST registry
    - Insurance Administrative Simplification
- 
- 

# Insurance Administration

- Standardize administrative policies & processes across insurers
- DCBS leads provider/carrier work group to standardize industry policies, processes, forms & data requirements for eligibility, claims, payment & related functions
  - Drive HIPAA-like standards of administration “deeper” into industry



# Stimulate System Innovation & Improvement

# Delivery System Innovation

- **Integrated Health Homes (IHH)**
  - Reimbursement standards; quality metrics; incentives to use IHHs, especially for chronic diseases; PEBB & OEBC first movers
- **Health Information Technology**
  - Set benchmarks for adoption of EMRs, clinical decision making tools, Health Information Exchange by 2012
- **Ensure Culturally-Specific Health Equities For All**
- **Public Health & Wellness-- Fund a Community Centered Health Improvement Program:** Tobacco use, Obesity, Chronic diseases






# Unify Purchasing Power

# Governmental Purchasing

- Common Contract Standards
  - Quality measurement & performance
  - Integrated Health Home (IHH) payment and care management policies
  - Comparative effectiveness guidelines for new technology
  - Evidence-based practice guidelines
- Oregon Rx Drug Program (OPDP)
  - Require health plans under contract with state-sponsored health programs to provide pharmacy benefit through OPDP unless they can demonstrate greater savings through alternative PBM arrangement



# Purchasing Cooperative & State Owned Health Plan Options

- 
- **Purchasing Cooperative—**
    - Drive volume discounts with lives of PEBB, OEBB, local governmental entities and voluntary participation from private health plans and self-insured employers—
    - Bundled case rates, multi-year discounts and quality measures
  
  - **Explore State Owned Health Plan--** (like SAIF) to compete with private insurance carriers
- 
- 

# Insurance Exchange

- Consolidate current individual market into insurance exchange
  - Carriers opt to participate through RFP process
  - Limited range of product (plan) choices
  - Web-based shopping, application tool
  - Medical underwriting continues
    - Standardized underwriting procedures
  - Risk adjustment among participating carriers
  - Current individual markets ends after transition period
- Serves as platform for second generation reforms—individual mandate with guarantee issue; group coverage

# Regulation of Insurer Administrative Expenses & Provider Price Increases




- **Health Plans--** Regulatory review & approval by DCBS of Insurer administrative expenses— limited to general CPI +x%
- **Provider Price Control--** State establishes price ceilings on provider services, tied to CPI+1%, or multiple of Medicare rates (+130%?)



# Health Care Workforce & Federal Laws



# Health Care Workforce Strategy & Federal Health Policy

- 
- Develop incentives to train, recruit & retain providers for a 21<sup>st</sup> Century health care workforce
- 
- Federal advocacy for provider Medicare payments; greater flexibility in Medicaid policy; “ERISA safe harbors” for state reforms; Health care workforce policy
- 



**“Bring Everyone Under the Tent”**

# Access




- **Coverage Expansions, 2009 - 2011**
  - Coverage expansion for 100k OR Kids (\$124M) & 100k OHP Std. Enrollees (\$350M)
  - Total new state money \$660M ('09-'11) and \$977 ('11-'13) for increased coverage, provider payments, benefits and system transformation + Federal Matching funds
  - Provider tax and Insurer premium tax– no pass through
- **Coverage Expansions, 2011 - 2015**
  - Future expansions must be linked to cost containment success & available funding
- **Plan for a market that includes:**
  - Individual insurance mandate
  - Guarantee issue
  - Subsidies for low & moderate income families
  - “Pay or Play” payroll tax
  - Insurance Exchange for those receiving subsidies



# Oregon Health Authority



# Oregon Health Authority

- 
- A robust state entity with overall regulatory accountability for Oregon's health care system (access, cost, quality, performance, financing, etc.)
- 
- Analogous to PUC or Transportation Commission
- 



# The Regence Response



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# The Regence Response

- **Full participation and engagement in OHFB process**
- **Regence committed to creating a transformed and realigned health care system where:**
  - All Oregonians have access to affordable health care coverage
  - Members are engaged in, informed & accountable for their health and health care decisions
  - Patient encounters are characterized by simplicity & clarity of communications, and aligned incentives for effective patient care

# The Regence Response

- **General Concerns:**

- Sweeping regulatory solutions & excessive government control of health care financing and delivery--- costly for the government to maintain, and costly for providers and health plans to comply
- One-size-fits all standards, benefits and administration
- Cost, cost, cost

- **Preferred approach:** Competition, market-based solutions and innovative products with incentives and transparency -- all aimed at impacting the root causes of increased health care costs.

# Managing The Transition

- Big bang vs. evolution?
- Need:
  - Carefully planned stages
  - Minimizing disruption and impacts on patients, employers, providers and health plans
  - Proof that new programs and innovations add value and are sustainable before moving to the next stage

# The Regence Response

- **ACCESS: Bring Everyone Under the Tent?**

- Access and controlling cost go hand-in-hand
- First cover Oregon's children

- **Provider Reimbursement Transformation and Transparency of Cost & Quality**

- May be the most important factors in reducing long-term health care costs
- Payment based on value of services rather than volume
- Regence pilots testing reimbursement methodologies

# The Regence Response

- **Integrated Health Home**– Cautious optimism.
  - Need flexible definition of IHH to avoid disruption for the 70–80% of the population who are infrequent users of health care services
  - Increased utilization and costs– potential savings are long term
  - Regence IHH pilots
- **Quality Institute & Data Collection**-- Important building blocks
  - Build on the existing success of health plan member decision-making tools that ensure transparency of cost & quality outcomes
  - Engage providers & health plans in a public-private collaborative process
  - Manage the disruption and cost of uniform standards for administration, evidence-based practice guidelines & medical management
    - Example of HIPAA-- high cost, well-intentioned simplification

# Health Insurance Exchange




- **Value added--** Exchange must add value for individual consumers by encouraging innovation in product design and health care management.
- **Non-disruptive--** Exchange must be carefully implemented to avoid disruption in the current individual market.
  - **An Exchange that mandates benefits and limits plan options would stifle innovation, limit consumer choice and potentially increase rather than reduce administrative costs.**
  - **An Exchange should not be a barrier for health plans to enter the individual market or, conversely, drive plans out of the market.**
- A Health Insurance Exchange is usually discussed within the context of broad market reforms such as an individual mandate and guaranteed issue. These are potentially disruptive reforms that may reduce competition and increase pool costs, and will require:
  - An effective enforcement mechanism of the individual mandate
  - Subsidies for low-income purchasers
  - An equitable risk adjustment mechanism to limit adverse selection by members and manipulation by health plans

# Public Employees Health Cooperative; Publicly Owned Health Plan & OPDP

- **Public Employees Purchasing Cooperative- not a panacea for lowering costs:**
  - Uniform benefit designs will not drive cost reductions and may reduce flexibility and innovation on the part of the purchasers
  - A bigger pool does not decrease risk once actuarial credibility is reached and does not result in lower costs or increased purchasing power
  - Example, some school districts are currently experiencing higher premiums and benefit reductions as they transition to OEBC
- **Publicly Owned Health Plan to compete with commercial insurers is not supported by Regence:**
  - No demonstration that this will reduce costs or increase value in the competitive insurance market we have in Oregon
  - Potential for increased cost, uneven playing field, and reduced competition
- **Prescription Drug Purchasing Pool:**
  - No evidence to suggest that OPDP should be the benchmark against which other plans are measured.
  - Not-for-profit pharmacy benefit managers like Regence Rx have successfully managed Rx benefits with comprehensive, value-added services for years.






# Regulation of Insurer Administrative Expenses

- 
- Health plan administrative expenses are less than 10% of the premium dollar.
  - These costs provide significant return on investment and improved service to members:
    - customer service innovations,
    - case management,
    - fraud and abuse programs,
    - wellness programs,
    - transparency initiatives, and
    - investment in technology – which includes costs of regulatory compliance.
- 
- 



# Premium Taxes

- 
- **Regence committed to finding an equitable, transparent and sustainable source of funding** to maximize federal matching funds and enrollment of eligible uninsured Oregon children in OHP/SCHIP.
  - **Broad-based**--Premium taxes must be broad-based and include all types of health plan coverage entities.
  - **Transparency**-- the cost impact of the tax should be transparent to all payers and consumers.
  - **Sustainable**--The tax must be sustainable over time – the program expansion funded must not exceed the funding level, or drive ever-increasing tax levels.
- 
- 

# Where to From Here?

- Final Report and recommendations to Governor & Legislature-- November 24, 2008
- Action in 2009 legislative session
- Economic realities may limit exuberance for comprehensive reform



# General Update

Fall 2008



Together, we can take charge.<sup>SM</sup>

# General Update

- eEnroll
  - Preferred for all Innova, Engage, Activate and HSA 2.0 products
  - Moves a group to the front of the line for issuing ID/Member cards
- Spreadsheet Upload
  - It's new and ideal for groups that are technologically savvy and groups with a flexible Human Resource Information System
- Auto-adjudication
  - The new products are running near 60% auto-adjudication level



# Regence Connections

Thank you for coming!

Fall 2009



Together, we can take charge.<sup>SM</sup>