



JOHN A. KITZHABER, MD
Governor

July 6, 2012

Mr. Steve Larsen, Deputy Administrator and Director
Center for Consumer Information and Insurance Oversight (CCIIO),
Centers for Medicare & Medicaid Services (CMS),
U.S. Department of Health and Human Services (HHS)
200 Independence Avenue SW, Ste. 739H
Washington, D.C. 20201

RE: Oregon Declaration Letter for Federal Health Insurance Exchange Certification

Dear Mr. Larsen:

Consistent with the 2010 Patient Protection and Affordable Care Act, the State of Oregon is pleased to declare its intention to implement a fully operational State-Based Health Insurance Exchange.

Oregon has a long and successful history of increasing access to affordable and quality health care, from creating the Oregon Health Plan in the early 1990s to more recently expanding coverage to more than 90,000 Oregon children. Oregon is currently transforming the way care is delivered in the Oregon Health Plan in order to reduce costs and improve health outcomes.

Oregon's Exchange came to fruition through Senate Bill 99, which passed the Oregon Legislature with strong bipartisan support in June 2011. The Oregon Legislature established the Exchange as a public corporation governed by a nine-member Board of Directors. In March 2012, the Oregon Legislature formally approved the Exchange Business Plan, again with strong bipartisan support. The mission of the Oregon Health Insurance Exchange is 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 Board of Directors, appointed by the Governor and confirmed by the Senate, is committed to holding the Corporation accountable to its mission. The Board represents a variety of expertise and interests, including consumers, small businesses, large businesses, labor, and the health care industry. The Board also reflects the racial, ethnic and geographic diversity of the state. Additionally, two ex-officio, voting board members represent state government, specifically the Oregon Health Authority and the Department of Consumer and Business Services. The Exchange Board has adopted formal bylaws and a policy manual guiding its governance process.

The Executive Director of the Corporation, Howard "Rocky" King, serves as the primary point of contact for HHS regarding federal certification of Oregon's Exchange, and is the individual authorized to complete and sign the Exchange application. Mr. King's duties include overall administration of the Exchange, including managing all policy, financial, personnel and

Steve Larsen

Page 2

operational requirements. Mr. King will serve as the liaison between the Exchange and federal entities.

Oregon is exploring the possibility of administering its own risk-adjustment and reinsurance programs. The Exchange, in partnership with the Oregon Insurance Division, is investigating risk-adjustment methodologies, determining who the risk-adjustment entity will be, and developing the proposed data model. Oregon anticipates having more information about these programs as well as the name of the proposed reinsurance entity and relationship structure by fall 2012.

As a State-Based Exchange, Oregon will perform its own Advance Premium Tax Credit (APTC)/Cost-Sharing Reduction (CSR) eligibility determinations. The Exchange will access the federal hub to obtain information as part of the eligibility determination process. The Exchange anticipates receiving additional assistance and guidance on the best approaches for these calculations.

In conclusion, Oregon looks forward to working collaboratively with the Centers for Medicare and Medicaid Services (CMS) to obtain the certification necessary to administer a State-Based Health Insurance Exchange and ensure it is ready to begin serving Oregon individuals and small employers in October 2013.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Kitzhaber".

John A. Kitzhaber, M.D.
Governor

SN/SPK/smg