



Oregon AIDS Drugs Assistance Program (ADAP)
&
Oregon Medical Insurance Pool (OMIP) Overview

Oregon Department of Human Services
Health Services
May 2003

What is OMIP?

Mission Statement

“To provide medical insurance coverage for Oregonians denied medical insurance coverage because of current or prior health conditions and to provide health benefit portability coverage to Oregonians who have exhausted COBRA benefits and have no other portability options available to them.”

What is OMIP?

- ✱ Facts and Figures
- ✱ Eligibility Requirements
- ✱ Medicare Eligibility
- ✱ Cost Reduction Programs
- ✱ Application
- ✱ Application Facts
- ✱ Agent Facts

Oregon Legislature votes “Yes”

1990

1997

2003

- ◆ Over 29,000 enrolled in OMIP since it began
- ◆ Currently over 9,000 enrolled

OMIP Facts and Figures

Current enrollment as of April 2003 is 9406

- 7590 are Medically Eligible
- 1740 are Portability
- 75 are Medicare
- Of those, 188 are funded by ADAP

Average premium per policy (not member)

- \$361

Average claim cost per policy

- \$618

Eligibility Requirements

Within the last six months:

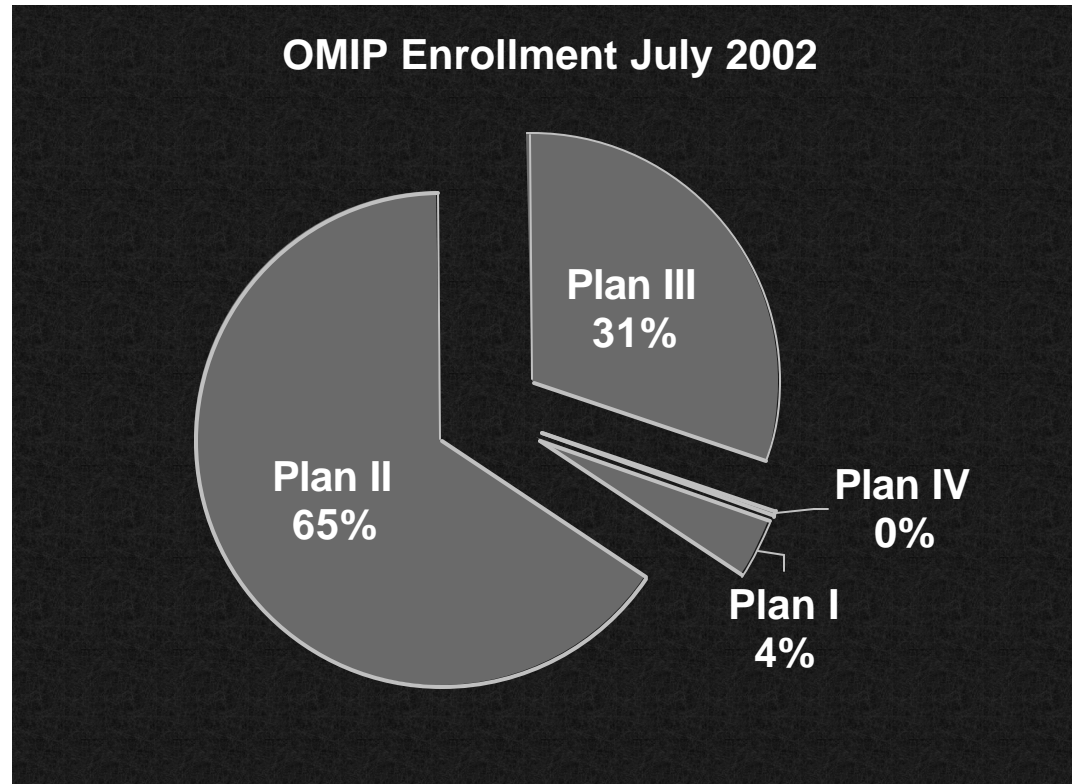
- ◆ An individual must be turned down for coverage because of a medical condition; or
- ◆ Health benefit coverage was involuntarily terminated for a reason other than non-payment of premiums; or
- ◆ An agent refused to apply for benefits on their behalf because of applicants health conditions

Eligibility Requirements

Portability Requirements - within 63 days:

- ◆ Have exhausted COBRA benefits and a portability plan is not available; or
- ◆ Are eligible for portability coverage but do not live in the portability carrier's service area; or
- ◆ Move to Oregon and have 18 or more months of continuous coverage, the last of which was group coverage

Health Benefit Plans



Plan 1: Traditional Indemnity

Plan III: Managed Care

Plan II: Preferred Provider

Plan IV: Low-Cost Indemnity

2003 Health Benefit Plan Changes

- The medical deductible increased from \$200 to \$500 for Plans I & II
- Stop loss increased from \$2,500 to \$5,000 for Plans I & II
- Max-out-of-pocket for drugs is a \$100 deductible with a 20% co-pay up to \$500

2003 Premium Rate Changes

- Aggregate increase of 14%
- Range 0% - 23.4%, dependent upon plan enrolled in and eligibility group
- Most popular plan is Plan II with a 13.2% increase. This is the only plan that ADAP will support.

Funding: Premiums, Interest & Assessment

- ❖ Medical premiums cannot exceed 125% of rates established as applicable for individual risk
- ❖ Portability premiums cannot exceed 100% of average portability premium charged by insurers
- ❖ Interest is earned on money that is held in reserve for payment of claims
- ❖ Assessments are imposed to cover losses (claims) not covered by insurance premiums

Assessments

- Subject to assessments:
 - Health insurers
 - Insurers offering stop loss coverage, reinsurance, or excess loss coverage to less than fully insured plans
 - Self-insured cities, counties, and school districts
- Based on lives including dependents reported annually to OMIP

Application

- ✦ Agent fees will only be paid when application is processed
- ✦ Agents need to review application prior to being sent in
- ✦ Portability applications must include *Certificate of Credible Coverage* (COC)
- ✦ Medical eligible applicants need to include agent declination letter or carrier declination letter

Application Facts

- TPA processes application within 30 days if properly completed
- Carrier's cannot provide agents with the reason individual coverage was rejected (HIPAA)
- Educate Clients on:
 - Plan Selection
- Agents need to ensure client does not have other coverage available

ADAP

Formerly CHIP/ADAP

Community Health Insurance Program/AIDS Drug Assistance Program

- ✦ The *CARE* Assist program is for people living with HIV or AIDS who need help paying for medical care expenses
- ✦ Funding for *CARE* Assist comes from the federal government under the Ryan White Care Act

ADAP

CAREAssist can pay part or all of medical premiums, including premiums for HIV+ dependents who are covered under a clients policy.

Coverage can include, but is not limited to:

- An individual policy
- A COBRA continuation policy
- An Oregon Medical Insurance Pool (OMIP) policy
- Medical insurance that pays for 50 percent or more of the cost of prescriptions, **CAREAssist** can pay the deductible, co-payments, or both on any prescription.
- Medicare Supplemental policy that meets the 50% criteria.

ADAP*

Average premium cost per client (all premiums)	\$257
Average OMIP premium paid	\$344
# of ADAP/OMIP clients during this time period	322
Current number of ADAP/OMIP clients	188

* Based on fiscal year 04/01/02 - 03/31/03

ADAP w/OMIP Issues

- Pre-existing conditions – some periods require full coverage on drugs and premium payments for specified period of time
- If process is initiated and client misses payment, client is excluded for 12 months and cannot reapply. Upon reapplication, there is another 6 month pre-existing clause/condition
- The contract exists between the client and OMIP; any action by ADAP does not affect the contract. All contact is between OMIP and the client as well.