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Oregon receives \$1 million grant to enhance insurance rate reviews

Salem, Oregon – Federal officials today approved Oregon’s \$1 million grant proposal to bolster the review of health insurance rate requests through more detailed analysis and stronger consumer feedback.

“This grant gives us better tools to address rising health insurance costs and provides more information to consumers,” said Cory Streisinger, director of the Department of Consumer and Business Services (DCBS).

The grant to Oregon is part of a five-year, \$250 million national program established in the new federal health reform law to help states start or improve rate reviews. Federal officials set aside \$1 million per state for 2010.

The DCBS Insurance Division, which reviews rates for small employer, individual, and portability health plans, will use the funds to:

- **Increase the scrutiny of rate filings** by looking more closely at how a rate increase affects a range of consumers and auditing the numbers insurance companies submit as questions arise.
- **Bolster public input** into rate reviews by providing funding to a consumer group to provide in-depth comments on rate requests.
- **Develop a process to address large group rates** to avoid unreasonable increases. The department does not currently review rates for large employer groups (more than 50 employees).
- **Provide consumers better information about what drives health insurance premiums** by requiring insurers to provide a detailed breakdown of medical costs (such as hospital care versus prescription drugs versus doctor fees) and posting the information online. Computer system changes will make it easier for consumers to read about rate requests on the division’s website, as well as help the division better collect and report data about insurance rates and medical costs to federal officials and consumers.

Oregon already has a strong rate review law, thanks to its own reform efforts. Since April, the division has been able to consider such factors as a company’s overall profitability, surplus, and investment earnings when reviewing a rate request. The April reforms also established a 30-day public comment period once a rate request is filed.

The changes are part of a larger effort by Oregon to address the rising cost of health care. Because health care costs drive insurance rates, any effort to increase the affordability of insurance will not succeed until health care costs are brought under control.

For more on the department’s grant proposal, go to: <http://insurance.oregon.gov/consumer/federal-health-reform/rate-review-grant.html>

The Insurance Division is part of the Department of Consumer and Business Services, Oregon's largest business regulatory and consumer protection agency. Visit www.dcbs.oregon.gov. **Follow DCBS on Twitter:** <http://twitter.com/DCBSCory>. Receive consumer help and information on insurance, mortgages, investments, workplace safety, and more.