

Producer Connection

*Your connection to important news about
FHIAP, OMIP, SHIBA and other state health insurance programs.*

Message from the Administrator

This is a message I wish I didn't have to write.

Unfortunately, our shortfall in federal funds forces us to end the subsidies of roughly 4,000 **individual market** members of the Family Health Insurance Assistance Program (FHIAP). People below a certain income level will lose their subsidies effective May 31, 2008.

Most of you learned about a reduction in our federal reimbursement rate late last year, when we were forced to stop taking new enrollments in FHIAP. Since then, we have been looking for options for our members since the federal government did not allow a phased transition to this reduced federal funding level.

On March 19, the federal Centers for Medicare and Medicaid Services (CMS) gave permission for adults who will lose their subsidies to move to Oregon Health Plan's (OHP) Standard benefit. So, our members choices are:

- Move to OHP Standard on June 1 and remain for six months based on their FHIAP eligibility. Shortly before the six months is up, OHP will mail them an application so they can apply to keep Standard if they meet Standard eligibility requirements.
- Keep their private insurance by paying the full premium for adults by themselves. FHIAP will continue to pay subsidies for children, however. This means that our FHIAP members will need to contact their insurance company to straighten out billing arrangements. The best time to do this is after the member pays his/her May FHIAP bill, which is due April 21.

Who is losing their subsidy?

- Those with individual market subsidies. (No group subsidies are affected.)
- Members whose average monthly income falls below 85 percent of the Federal Poverty Level (FPL). For a family of one, this is an average monthly income of \$725 or less. For a family of two, this is \$985 monthly or less. These are the people most likely to qualify for OHP Standard.



Contact

OPHP/FHIAP at:

Web: ophp.oregon.gov

E-mail: ophp.mail@state.or.us

Oregon toll-free:
1-888-564-9669

In Salem:
(503) 373-7419

Hours: 9 a.m. to 5 p.m.

Monday through Friday



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the Administrator
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Also, we are including a “How To” chart as part of this newsletter that explains what actions FHIAP members should take, depending on whether they want to move to OHP or keep their private insurance.

FHIAP pays 95 percent of the premium for all these members. However, not everyone in FHIAP with a 95 percent subsidy is being cut from the program. In other words, we have more people at the 95 percent subsidy level than we need to terminate to stay within our budget.

We considered ending subsidies to our highest-income members but this meant they would likely have no insurance after their initial six months with OHP Standard.

Our transition plans

On March 31, we will mail FHIAP members notice that their subsidies will end on May 31. The packet includes a green Family Selections sheet that we need returned. It tells us about their choices.

Our FHIAP Phone Transition Team will be in place by March 31. The team will attempt to contact each household impacted and outline their choices, walk them through the process and answer any questions they may have. The team will be available by phone throughout this process. Reach the team at our regular Oregon toll-free number: 1-888-564-9669.

What this means to you

- You may receive calls from some of the affected FHIAP members. They may want help figuring out what their premium would be without FHIAP or how much a different policy (higher deductible, lower premium) would cost.
- FHIAP will likely not be open to new enrollments before the start of its next fiscal year, in July 2009. The number of openings depends on actions by the 2009 Oregon Legislature.

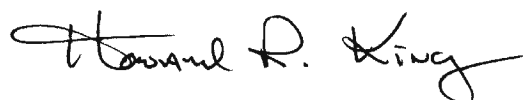
All of us at FHIAP are extremely saddened by this change in federal policy which forces us to end subsidies of thousands of Oregonians, including some who use FHIAP subsidies to help pay premiums for the Oregon Medical Insurance Pool (OMIP). After exploring many options, we just didn't have a choice.

By Monday, March 31, we will post the transition communication packet that is going to members on our Web site: www.fhiap.oregon.gov

We will also post background information on the federal decision that caused our budget shortfall and options we explored.

If you have questions, I encourage you to call. You can ask for any member of our marketing team. We are committed to helping our members make the smoothest transition possible and we appreciate any help you can provide. ■

Respectfully,



Howard “Rocky” King

How to...

Everyone needs to...

- Pay the May FHIAP bill that is due April 21. It arrives in early April. This will keep your health insurance coverage through May 31.
- Contact your doctor to ask about OHP managed care plans (see *FHIAP Transition Guide* for more information).
- Decide whether you want to move to OHP Standard, pay for your private health insurance on your own, or drop your health insurance and have no coverage.
- Complete the green form & return in postage-paid envelope.

Move adults to OHP (No kids)	Move adults to OHP; leave kids in FHIAP	Pay full costs to keep private plan for adults (leave kids in FHIAP)
<ul style="list-style-type: none"> • After you pay your FHIAP bill that is due April 21, tell your insurance company to end coverage, effective June 1, 2008. <p>If you have kids you want to move to OHP</p> <ul style="list-style-type: none"> • Call OHP at 1-800-359-9517 and ask for an application for children. • Don't end FHIAP coverage for children until they are approved by OHP! • When children are approved by OHP, tell FHIAP to end the childrens' subsidy. Notify the insurance company. 	<ul style="list-style-type: none"> • After you pay your FHIAP bill that is due April 21, tell your insurance company: <ul style="list-style-type: none"> ○ You will end adult coverage only, effective June 1, 2008. ○ Put the kids on their own separate contract. FHIAP will still help pay. • Pay your monthly FHIAP bill for kids' insurance. 	<ul style="list-style-type: none"> • After you pay your FHIAP bill that is due April 21, tell the insurance company: <ul style="list-style-type: none"> ○ You will pay the monthly premium for adults, starting June 1. ○ If you have kids, put them on their own separate contract. FHIAP will still help pay for the kids. • Some time in May, you will receive two bills (if you have kids in FHIAP): <ol style="list-style-type: none"> 1. A bill from the insurance company for adults. 2. A bill from FHIAP for your kids (if you have any).

OPHP CE classes

Here are two different continuing education (CE) opportunities for agents.



OMIP
Oregon Medical Insurance Pool

Spring Training: Taught by OPHP and sponsored by the Oregon Association of Health Underwriters (OAHU): These two hours of continuing education credit (law) cost \$30 through April 15 and \$45 after that. The schedule is available on the OPHP Web site: <http://www.ophp.oregon.gov> Registration is through OAHU at 1-877-412-6248. The registration form also is available on the OPHP Web site. This course covers new laws affecting small employer health insurance, health care reform efforts, COBRA, HIPAA and state continuation requirements and an update on state programs.

Oregon Medical Insurance Pool (OMIP): This free one-hour (law) credit class is a chance for agents to learn more about the state's high-risk pool and to meet its staff. The first training is March 31 in Roseburg. OMIP visits 11 other cities throughout Oregon in April. Look at the training schedule and register online at <http://www.ophp.oregon.gov>

Oregon Health Fund Board Update

Learn everything you ever wanted to know about health-care reform in Oregon without leaving your seat at:

<http://www.oregon.gov/OHPPR/HFB/index.shtml>

The Oregon Health Fund Board, which is looking at ways to insure all Oregonians, contain costs and improve quality of care, regularly posts background materials and progress reports on its Web site. The materials include a monthly newsletter. The March newsletter, for example, reminds Oregonians that they can offer input in front of the board or one of its committees. The board, which was created by the 2007 Legislature, reports to the 2009 Oregon Legislature.

Written testimony can be sent to:

- Oregon Health Fund Board
1225 Ferry St. SE, 1st Floor
Salem, OR. 97301
- E-mail comments to: OHFB.info@state.or.us
- Fax to: 503-378-5511.

Indicate whether the comments are for the board, a committee or a particular person. To receive e-mail updates on the board, visit:

www.oregon.gov/OHPPR/HFB/govdelivery.shtml