



# Oregon

John A. Kitzhaber, MD, Governor

Department of Consumer and Business Services

Insurance Division

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August 7, 2014

## By Email and U.S. Mail

Ralph Prows, M.D.  
Chief Executive Officer  
Oregon's Health CO-OP  
315 SW Fifth Avenue, Suite 900  
Portland, OR 97204

Re: 2015 Health Benefit Plan Rate Filing  
OHCO-129528995 (Individual)  
OHCO-129529013 (Small Group)

Dear Dr. Prows:

By phone and letter dated August 1, 2014, Oregon's Health CO-OP (OHC) requested a meeting with the Insurance Division of the Department of Consumer and Business Services (division) to discuss the division's proposed findings on OHC's individual and small group rate filings. OHC expressed disagreement with the proposed findings. We advised we would consider our options within the rate review process for accommodating a meeting, but we did not schedule the requested meeting.

Also on August 1, you provided a letter from Thomas Snook, FSA, MAAA, principal and consulting actuary with Milliman, responding to each of our proposed findings.

These letters were sent via e-mail to the division's actuary, Michael Sink, ASA, MAAA. We have added them to the rate filing record in SERFF.

In response to your request for a meeting, we are willing to set up a conference call anytime on Friday, August 8 for division staff to walk through our proposed findings with OHC and your actuary. However, we are unable to meet with you for the purpose of re-examining the proposed rate filing and the division's proposed modifications to the rates. Mr. Sink has reviewed Mr. Snook's August 1 letter. The information provided does not change the division's position, as those proposed findings already reflect consideration of the issues raised in Mr. Snook's letter.

Oregon Revised Statutes 742.003, 743.018, and 743.019, and administrative rules of the Insurance Division, OAR 836-053-0473(3)(b) and OAR 836-053-0475, set out the process and timing of rate filing actions. At this point in the process, the division has no authority to reopen the public comment period or hold an additional rate hearing on these filings. Pursuant to ORS 743.019(2), the division's only alternatives at this point are to approve or disapprove OHC's rate

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filing or to modify it with OHC's written consent. On July 31, 2014, the division posted its proposed findings and requested that OHC modify its filing in order to obtain approval. At this time, OHC has not agreed to modify its filing. If by the deadline stipulated below, OHC does not consent to modifying its rate filing, the division will provide OHC a notice of proposed disapproval of the rate filings.

As required by ORS 743.019(2) and 183.415, the notice of proposed disapproval will contain information about OHC's right to a hearing. The hearing process is that which the Oregon Administrative Procedures Act (ORS Chapter 183) provides for a contested case. Although the timing of the process varies from case to case, the process begins when the division issues a notice of the proposed agency action to disapprove the rate filing. OHC must respond to this notice with a request for hearing within the time period specified in the notice, which is usually 21 days from the date the notice is sent. The remaining steps in the procedure will be dependent on the issues and filings of the parties as well as the contested case process. While the division will cooperate with OHC to try and expedite that process, it involves the Office of Administrative Hearings and procedures that are not within the division's control.

Please let me know in writing by 8:00 a.m., Monday, August 11, whether or not OHC agrees to modify each of its filings as proposed by the division. If OHC agrees to modify its filings, OHC will need to provide the updated documents specified in our findings by 5:00 p.m., Monday, August 11.

Sincerely,

A handwritten signature in cursive script that reads "Annette Courter Boyce".

Annette Courter Boyce, CFE  
Product Regulation Manager  
Annette.c.boyce@state.or.us