



Oregon's Health CO-OP

My Voice, My Health, My Plan

August 9, 2014

Commissioner Laura Cali
Annette Courter Boyce, CFE, Manager, Product Regulation Section
Insurance Division, Department of Consumer and Business Services

Dear Commissioner Cali and Ms. Courter Boyce:

The purpose of this letter is to respond to the requirements outlined in Ms. Courter Boyce's letter of August 7, 2014. Specifically, because we have no other practical alternative, we accept the division's modifications to our filing.

Our acceptance should not be interpreted as agreement. We disagree with the methodology, process and result of the division's decision that only granted us a 9.9% reduction in rates for our individual plans, less than half the reduction supported in our filings.

As to the methodology, on August 8, 2014, our actuaries and I heard for the first time the Division's reasoning behind its decision -- reasons that were never raised in any of the division's written questions or during the public hearing. Our actuaries are disappointed and quite puzzled that their calculations and source documentation, using the best actuarial science, were not fully understood by the OID. Yet we have no remedy, not so much as an opportunity to openly discuss the facts and what our experts believe to be errors.

This failure of due process begs for a constructive review the Division's decision-making procedure related to rate filings and approvals. The process must allow for a meaningful dialogue between health plans, consumers and the Division. Further, the process must include an opportunity to correct errors and misunderstandings, and must provide the consumer with the best result possible.

I represent a non-profit consumer operated and oriented ("CO-OP") health plan. As the fundamental operating process of our company, my staff and I spent the last two years continuously listening to thousands of Oregonians in every community, translating their voices into our innovative new benefits and programs. Oregonians told us they wanted affordable insurance so we are fighting for lower premiums. They also told us they want the insurance gimmicks and "gotcha's" eliminated. In response, we have done away with coinsurance and deductibles so members will know exactly what is covered and how much healthcare will really cost them. Their



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only out-of-pocket cost for care is the co-payment. And to ensure our company will always be oriented to Oregonians, nominations have opened for the first-ever free and open Board elections of health plan members, kick starting a truly consumer-driven transformation of our health care system.

I know that DCBS is also committed to serving Oregonians. We are aligned in this common purpose. I ask that we begin working together to improve the Division's rate filing and approval process and procedures to guarantee the consumer a better result for 2016 and beyond.

Thank you very much for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ralph M. Prows'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Ralph M. Prows, MD
President and CEO
Oregon's Health CO-OP