

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-PR 16-07-003

Receivership of Oregon's Health Co-op,

ORDER REGARDING MEMBERS  
ENROLLING FROM OREGON'S  
HEALTH CO-OP

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Insurance Code as described in ORS 731.004, hereby gives notice that the Director requires ZOOM Health Plan, Inc.:

(1) to offer enrollment through a Special Enrollment Period (SEP) for members of Oregon's Health Co-op (OHC) who have experienced loss of coverage effective July 31, 2016 (the "Affected Members");

(2) to actively identify Affected Members who enroll in ZOOM Health Plan, Inc. through a SEP having an effective coverage date after August 1, 2016, to assist and encourage the Affected Member to reenroll with a SEP that will have an effective coverage date of August 1, 2016; and

(3) to honor maximum out-of-pocket amounts ("MOOPs") paid by Affected Members for claims incurred on or before July 31, 2016, in accordance with guidance published by the Director, for Affected Members who enroll in ZOOM Health Plan, Inc. effective August 1, 2016.

The Director makes the following Findings of Fact, Conclusions of Law, and Orders.

FINDINGS OF FACT

The Director FINDS that:

1. OHC is a health care service contractor. OHC is the carrier for policies in Oregon's individual market, both on and off the exchange (known as Oregon Health Insurance Marketplace, or the "Marketplace").

2. The Director became the court-appointed receiver of OHC order of the Circuit

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1 Court of the State of Oregon for the County of Marion (the "Court") on July 11, 2016.  
2 As receiver, DCBS has terminated all individual health insurance policies of OHC  
3 effective 11:59 P.M., July 31, 2016.

3 3. In order to ensure the broadest availability of individual health benefits plans  
4 and avoid consumer harm, the Affected Members will need to be able to switch their  
5 coverage to as of August 1, 2016 and be able to transfer credits for MOOPs.

6 4. On July 19, 2016 the Director issued a Memorandum of Understanding  
7 ("MOU") regarding enrollment of the Affected Members and crediting of MOOPs, and  
8 directed carriers to indicate whether they would comply on or before July 25, 2016 at  
9 5pm.

10 5. ZOOM Health Plan, Inc. has not responded on or before July 25, 2016 by  
11 indicating a willingness to comply with, or agree to the MOU.

12 6. Paragraph 13 of the Plan of Rehabilitation filed with the Court on July 22,  
13 2016, provides that in order to minimize the impact of the loss of coverage to the  
14 members of OHC, the Director has worked with the individual health benefit plan carriers  
15 in the State of Oregon to have those carriers honor the amounts paid by OHC members  
16 through July 31, 2016 for MOOPs as carry over credit toward their MOOPs in the  
17 replacement coverage obtained from the new carrier.

18 7. Carriers providing nearly all the individual health benefit plan coverage in the  
19 State of Oregon have agreed to the MOU. If ZOOM Health Plan, Inc. fails to participate  
20 by honoring the MOOPs, ZOOM Health Plan, Inc. will unfairly avoid risks borne by the  
21 carriers who have elected to participate in the MOU and will deny coverage that has been  
22 guaranteed available to Affected Members.

23 8. It is the intent of the Director to ensure the broadest availability of individual  
24 health benefits plans to Affected Members and to avoid consumer harm.

## 25 CONCLUSIONS OF LAW

26 The Director CONCLUDES that:

9. Under Oregon Revised Statutes ("ORS") 734.055, 734.150, and 734.220, and  
under the order of the Court, the Director is the appointed receiver of all property and  
assets of OHC.

10. Under ORS 734.220(1), the Director, as receiver of OHC, shall take such



1 necessary steps as are authorized by the laws of this state for the purpose of  
2 rehabilitating, liquidating, or conserving OHC. Under ORS 734.220(2), the Director, as  
3 receiver of OHC, shall perform and do all acts which the director may deem necessary,  
4 advisable or expedient for the accomplishment or in aid of the purpose for which such

5 11. Under ORS 734.142, a person shall not obstruct or interfere with the Director  
6 in the conduct of any delinquency proceeding.

7 12. Under ORS 743B.100(2) and Oregon Administrative Rule ("OAR") 836-054-  
8 0431(2)(b), the Director may require insurance carriers to enroll former OHC  
9 policyholders who lost minimum essential coverage due to the liquidation of OHC in a  
10 SEP with coverage to begin on August 1, 2016.

11 13. Under ORS 743B.100(1), the Director may approve market conduct and other  
12 requirements for carriers and insurance producers in order to ensure the broadest  
13 availability of individual health benefit plans.

14 14. Under ORS 734.220(2)(c), the Director, as receiver of OHC, may perform and  
15 do all acts which the Director may deem necessary, advisable, or expedient for the  
16 accomplishment or in aid of the purpose for which such possession was taken.

17 15. Under ORS 731.236 the Director has the powers and authority expressly  
18 conferred by or reasonably implied from the provisions of the Insurance Code.

19 16. Under ORS 731.236, 734.220, and 743B.100, the Director may require  
20 carriers to equitably set an individualized limit of MOOPs for each SEP enrollee based on  
21 MOOPs incurred in 2016 under the OHC policy.

## 22 ORDER

23 Now therefore, the Director issues the following Orders:

24 17. ZOOM Health Plan, Inc. shall offer enrollment through a SEP for the Affected  
25 Members.

26 18. ZOOM Health Plan, Inc. shall actively identify Affected Members who enroll  
in ZOOM Health Plan, Inc. through a SEP having an effective coverage date after August  
1, 2016, to assist and encourage the Affected Member to reenroll with a SEP that will  
have an effective coverage date of August 1, 2016.

19. ZOOM Health Plan, Inc. shall honor MOOPs paid by Affected Members for

1 claims incurred on or before July 31, 2016, in accordance with guidance published by the  
2 Director, for Affected Members who enroll in ZOOM Health Plan, Inc. effective August  
3 1, 2016.

4 APPEAL

5 20. Because this Order is issued pursuant to the powers granted by the Court to  
6 the Director as Receiver, the exclusive jurisdiction for appeal of this Order lies in a  
7 proceeding before the Court in the receivership proceeding, Case No. 16CV22052.

8 SO ORDERED this 27th day of July, 2016 in Salem, Oregon.

9   
PATRICK M. ALLEN, Director

10 Department of Consumer and Business Services

11  
12 AGENCY CONTACT INFORMATION

13 Questions concerning the issues raised in the order may be directed to Gail M.  
14 Gage, Oregon Department of Consumer and Business Services, Division of Financial  
15 Regulation, telephone (503) 947-7038.

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