

REVENUE: Revenue statement issued**FISCAL:** Fiscal statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 0 - 1
Yeas:	Boquist, Dingfelder, Rosenbaum, Shields
Nays:	0
Exc.:	George
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/20

WHAT THE MEASURE DOES: Exempts certain accident-only policies and specified disease and hospital indemnity insurance policies from payment of assessment on gross amount of premiums. Effective September 29, 2013.

ISSUES DISCUSSED:

- Creation of assessment in 2009
- Whether it is appropriate to assess health insurance policies
- Use of assessment to fund Healthy Kids program
- Amount AFLAC has paid in assessments

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: House Bill 2116 (2009) established the Health System Fund, which is continuously appropriated to the Oregon Health Authority to fund medical assistance and private health options, and to pay refunds for hospital assessments. The measure created a one-percent assessment on health insurance premiums to provide moneys for the Fund. Several types of insurance policies were excluded from the requirement to pay the one-percent assessment, including vision-only and dental-only policies, Medicare advantage plans, and others. The assessment sunsets on September 30, 2013.

House Bill 4046A adds accident-only insurance policies and specified disease and hospital indemnity policies that pay benefits on an indemnity basis to the list of types of policies exempt from the requirement to pay into the Health System Fund. The exemption goes into effect September 29, 2013, two days before the assessment ends for all others.