

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 491

STATUS: Original

SUBJECT: Requires health insurance companies who provide coverage for cochlear implants to provide coverage for bi-lateral cochlear implants

GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services, Department of Administrative, and Department of Human Services

PREPARED BY: Robin LaMonte, Dallas Weyand, John Britton

REVIEWED BY: Dawn Farr

DATE: February 26, 2007

EXPENDITURES: See Comments.

REVENUES: See Comments.

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill would require that health insurance companies who provide coverage for cochlear implants provide coverage for bi-lateral cochlear implants.

The Oregon Medical Insurance Pool (OMIP) under the Department of Consumer and Business Services (DCBS) currently covers FDA approved unilateral cochlear implants in certain circumstances. Historical statistics suggest that only about two unilateral implants are performed per biennium. The cost of a unilateral implant is \$54,501. The cost of a bi-lateral cochlear implant is \$109,002. Assuming two bi-lateral cochlear implants are done (instead of unilateral implants), OMIP will expend an additional \$109,002 of Non Limited Other Funds in the 2007-09 and 2009-11 biennia. OMIP expenditures are funded with assessments to Oregon Health insurers and stop-loss carriers (31% of total), and through premiums paid by enrollees (69% of total.)

The Public Employee Benefits Board (PEBB) under the Department of Administrative Services indicates that while there is a potential for this bill to ultimately affect medical premium rates paid by the state, the amount of this impact is indeterminate.

The Department of Medical Assistance Programs (DMAP) within the Department of Human Services (DHS) indicates that there is not impact to DHS as Medicare programs would be excluded from this requirement.