

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed
Vote: 6 - 0 - 1
Yeas: Berger, Buckley, Esquivel, Hunt, Roblan, Rosenbaum
Nays: -
Exc.: Thatcher
Prepared By: Jim Stenbridge, Administrator
Meeting Dates: 5/18

WHAT THE MEASURE DOES: Provides for health benefit plans issued to small employers through association health plans (AHPs) to be exempt from small employer health insurance rate approval requirements if the plans meet standards on initial premium rates, membership requirements, exclusions, and retention. Requires carriers that offer AHPs to report annually on retention rate and claims experience. Requires Health Insurance Reform Advisory Committee to include a review of AHPs in its marketing segment evaluation. Requires that out-of-state carriers with AHPs in Oregon follow Oregon law. Sunsets 2014. Declares emergency; takes effect July 1, 2007.

ISSUES DISCUSSED:

- Pooling of risk
- Small business health insurance market
- Bundled choices assembled by associations
- Organizations currently involved in providing employee health plans for small businesses
- Potential impact on over-all health insurance market if associations cater to low-cost clients only
- Monitoring role of the Department of Consumer and Business Services

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: The Oregon Office of Private Health Partnerships (OPHP) administers programs to increase the number of Oregonians and businesses with health insurance. The agency, originally created as the Insurance Pool Governing Board in 1987, was renamed in 2006. Programs administered by the office include the Family Health Insurance Assistance Program (FHIAP) that helps uninsured income-eligible Oregonians pay the monthly premium for private health insurance; Small Employer Plans, the design of low-cost health insurance plans for uninsured small businesses (two such plans are available to eligible businesses—a low-cost plan for adults and a comprehensive plan just for children); and the Agent Referral Program which connects business owners with health insurance agents (producers) in their community.

Associations currently offering bundled insurance plans for Oregon small businesses include Associated Oregon Industries (AOI), Associated General Contractors (AGC), and the Associated Builders and Contractors (ABC).