

**REVENUE:** May have revenue impact, statement not yet issued

**FISCAL:** May have fiscal impact, statement not yet issued

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<b>Action:</b>	Without Recommendation as to Passage, be Printed Engrossed and Be Referred to the Committee on Revenue and Ways and Means by prior reference
<b>Vote:</b>	6 - 3 - 0
<b>Yeas:</b>	Bonamici, Bruun, Cannon, Gelsler, Kotek, Greenlick
<b>Nays:</b>	Flores, Maurer, Richardson
<b>Exc.:</b>	0
<b>Prepared By:</b>	Sandy Thiele-Cirka, Administrator
<b>Meeting Dates:</b>	4/11 (Access sub), 4/25 (Access sub), 4/30 (Full)

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**WHAT THE MEASURE DOES:** Creates Health Insurance Exchange Corporation (“Exchange”) for the purpose of improving choice, access, portability and quality of health insurance products. Specifies the responsibilities, powers and duties of the Exchange and requirements for board of directors. Authorizes Exchange board to impose fees or charges. Establishes Health Insurance Exchange Account. Requires Department of Human Services (DHS) to seek federal approval to increase income limit for Oregon residents with family incomes at or below 200 percent of federal poverty level (FPL) to enroll in the Oregon Health Plan (OHP) and to allow Oregon residents with incomes at or below 300 percent of FPL to enroll in the Family Health Insurance Assistance Program (FHIAP). Requires DHS to provide public subsidies for individuals at or below 300 percent FPL who receive insurance in FHIAP or through the Exchange, and allows cost-sharing for individuals above 150 percent FPL. Specifies a full subsidy for individuals below 200 percent FPL, and a partial subsidy for those with incomes above 200 percent. Establishes payroll tax and net earnings from self-employment tax. Continuously appropriates moneys to Department of Revenue to cover expenses of administration of taxes. Establishes income and corporate excise tax credit for health benefit plan coverage premium costs incurred by employers in providing health benefit coverage to employees and dependents. Limits amount of credit. Denies personal exemption credit on Oregon income tax to individual without health insurance coverage defined by corporation. Requires Administrator of Office for Oregon Health Policy and Research to collaborate with Oregon Health Research and Evaluation Collaborative and others to develop five-year plan to evaluate the Exchange and develop a model for a quality institute with specified functions, including a structure to support the institute’s structure. Authorizes DHS to require prior authorization of drugs on Practitioner-Managed Prescription Drug Plan. Appropriates moneys to the Exchange. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Overview of Oregon Health Policy Commission (OHPC) *Road Map for Health Care Reform* report
- Need for universal participation in an affordable health care system
- Review of the five recommendations: universal coverage for children, individual coverage requirement, public coverage and subsidies, health insurance exchange, and sustainable financing system
- Public-private collaborative effort creating a Quality Institute
- Importance of evaluating the reform process

**EFFECT OF COMMITTEE AMENDMENT:** Expands on functions of Exchange. Allows children and adults to be eligible for OHP and FHIAP. Requires DHS to seek federal approval to increase income limit for Oregon residents with family incomes at or below 200 percent of FPL to enroll in the OHP and to allow Oregon residents with incomes at or below 300 percent of FPL to enroll in FHIAP. Requires DHS to provide public subsidies for individuals at or below 300 percent FPL who receive insurance in FHIAP or through the Exchange and allows cost-sharing for individuals above 150 percent FPL. Specifies a full subsidy for individuals below 200 percent FPL, and a partial subsidy for those with incomes above 200 percent.

**BACKGROUND:** In March 2007, the Oregon Health Policy Commission issued the *Road Map for Health Care Reform: Creating a High-Value, Affordable Health Care System* draft report. The Commission submitted the following recommendations for health policy reform in Oregon:

- Create a Health Insurance Exchange to bring individuals and employers together with affordable coverage options and public subsidies in a way that currently does not exist in Oregon
- Require that every Oregonian purchase affordable health insurance
- Expand publicly-financed coverage and insurance subsidies to ensure affordable coverage from lower-income Oregonians
- Explore sustainable, broad-based financing sources that ensure everyone's participation and equalize the burden between employers who do and those who do not provide coverage to their workers

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*This summary has not been adopted or officially endorsed by action of the committee.*

Committee Services Form – 2007 Regular Session