

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2116 B
CARRIER:**

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass with Amendments and be Printed B Engrossed, and be Referred to Ways and Means by Prior Reference.

Vote: 6-4-0

Yeas: Bailey, Gelser, Kahl, Read, Riley, Barnhart

Nays: Bentz, Berger, Bruun, Sprenger

Exc.: 0

Prepared By: Dae Baek, Economist

Meeting Dates: 5/28

WHAT THE BILL DOES: Establishes the Health System Fund (HSF). Creates 1% assessment on specified health insurance premiums to be administered by the Department of Consumer and Business Services. Directs the assessment to be paid into the HSF. Imposes penalties for failure to timely file a required report or pay such assessment. Creates 1% assessment on capitation payments to a Medicaid managed care organization to be administered by the Department of Human Services (DHS). Directs the assessment to be deposited in the HSF. Imposes penalties for failure to timely pay such assessment. Continuously appropriates amounts in the HSF to the DHS for the purpose of funding the Health Care for All Oregon Children program and funding specified health services and other health services. Allows moneys in the HSF to be used for other purposes. Modifies Oregon Laws related to the hospital assessment imposed on the net revenue. Directs the DHS Director to consult hospital representatives in setting the hospital assessment rate. Directs any moneys in the Medical Care Quality Assurance Fund on or after October 1, 2009, to be transferred to the HSF. Makes other policy changes.

ISSUES DISCUSSED:

- Policy objectives
- Benefits of expanded coverage of the uninsured, especially uninsured children
- Employment and financial impacts on hospitals and insurance companies
- Long term sustainability of the programs
- Impact of the programs on the overall healthcare cost

EFFECT OF COMMITTEE AMENDMENTS: Replaces the contents of HB2116A and accomplishes the bill description above.

BACKGROUND: In addition to addressing two funding sources of the Health System Fund and modifying Oregon Laws related to hospital assessment, HB 2116-A13 makes a myriad of policy changes including (1) establishing the Health Care for All Oregon Children program, (2) directing the Office of Private Health Partnerships to administer the private health option for the purpose of expanding private health insurance coverage of Oregon's children, (3) directing the Department of Human Services (DHS) to seek federal financial participation for the programs relating to the health care of Oregon's children, and (4) directing the DHS to award grants to community health centers and safety net clinics to provide healthcare services to underserved and vulnerable population.

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