

Joint Committee on Ways and Means

Carrier – House: Rep. Nolan
Carrier – Senate: Sen. Bates

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

Action: Do Pass the B-Engrossed Measure as Amended and Be Printed C-Engrossed

Vote: 15 – 7 – 0

House

Yeas: Buckley, D. Edwards, Galizio, Komp, Kotek, Nathanson, Shields

Nays: Garrard, Gilman, Jenson, Richardson, G. Smith

Exc:

Senate

Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Winters

Nays: Girod, Whitsett

Exc:

Prepared By: John Britton, Legislative Fiscal Office

Meeting Date: May 29, 2009

WHAT THE MEASURE DOES: HB 2116 establishes two assessments: a 1% health insurance premium assessment on a specified group of health insurers, Medicaid managed care plans, and the Public Employee Benefit Board; and, an assessment on hospitals that are paid by Medicare under a diagnostic related grouping (DRG) reimbursement mechanism. In addition, the measure establishes the Health Care for All Oregon Children program. The health insurance premium assessment is paid into a newly created Health System Fund which is continuously appropriated to the Department of Human Services to implement the Health Care for All Oregon Children program. The Hospital assessment is paid into an existing fund, the Hospital Quality Assurance Fund, and proceeds from the assessment are primarily to be used to fund the Oregon Health Plan Standard program. The premium assessment is expected to provide funding for nearly 80,000 children during the 2009-11 biennium; the hospital assessment will allow the OHP Standard program to double from an average monthly caseload of approximately 25,000 low-income adults to 50,000 during the 2009-11 biennium. Both assessments end on September 30, 2013.

ISSUES DISCUSSED:

- The amendment
- ERISA issues
- Hospital assessment being returned through enhanced Medicaid reimbursement

EFFECT OF COMMITTEE AMENDMENT: Makes several technical language changes. Adds one additional type of health policies that are excluded from the premium tax – long-term care.

BACKGROUND: The 2007 Legislative Assembly passed SB 329 which created the Oregon Health Fund Board. The Board was charged with making recommendations to the Legislature about how to improve the state's health care system. It met extensively throughout the 2007-09 interim. After receiving the Board's proposals which included a recommendation to expand health insurance coverage for children and low-income adults, the Governor proposed both assessments in his recommended budget. Legislative leadership has, in turn, worked to refine the Governor's assessments on health insurance premiums and hospitals.