

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2589 **STATUS:** Original
SUBJECT: Requires health benefit plans to provide hearing aids for enrollees under 18 years of age.
GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services, Department of Administrative Services
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REVIEWED BY: Susie Jordan, Laurie Byerly
DATE: April 14, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Analysis		

REVENUES:
See Analysis

EFFECTIVE DATE: January 1, 2010

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.

ANALYSIS: HB 2589 requires health insurance policies to cover the cost of hearing aids for enrollees under 18 years of age. The bill provides that insurers may limit the benefit to \$4,000 every 48 months, but may also offer a more generous benefit. The benefit limit must be adjusted annually to reflect any increases in the consumer price index.

The fiscal impact of this bill is indeterminate.

The Department of Consumer and Business Services (DCBS) Oregon Medical Insurance Pool (OMIP) program provides health insurance to adults and children who are unable to obtain coverage because of health conditions, and provides a way for persons to continue coverage when COBRA benefits have been exhausted and they have no other options. OMIP is funded through a combination of insurance premiums paid by enrollees and by an assessment on Oregon insurance companies. OMIP does not currently offer this benefit, but notes that less than 7% of its enrollees are under the age of 19. Therefore, OMIP estimates the fiscal impact of this bill to be minimal.

The Department of Administrative Services (DAS) administers the Public Employee Benefits Board (PEBB) and the Oregon Educators Benefit Board (OEBB). PEBB currently offers a hearing aid benefit for all enrollees, and would see no fiscal impact from this bill. OEBB insurers do not offer this benefit, and anticipate an indeterminate fiscal impact, depending on number of enrollees eligible for this benefit. Increases in plan expenditures could potentially affect the cost of premiums.