

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

MEASURE NUMBER: HB 2755 **STATUS:** A Engrossed
SUBJECT: Requires the Department of Consumer and Business Services and the Department of Human Services Office for Oregon Health Policy and Research to conduct a study of reinsurance alternatives for individual and small employer group health insurance markets and to submit recommendations to the Legislative Assembly by December 1, 2010.
GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services and Department of Human Services
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REVIEWED BY: Susie Jordan and John Britton
DATE: April 29, 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 2755 requires the Department of Consumer and Business Services (DCBS) and the Department of Human Services (DHS) Office for Oregon Health Policy and Research (OHPR) to conduct a study of reinsurance alternatives for individual and small employer group health insurance markets. The agencies are directed to submit a status report on the study by October 1, 2010 and to submit the report with recommendations for enabling legislation to the Legislative Assembly by December 1, 2010.

DCBS and OHPR will provide technical staff to conduct the study and assist in compiling and analyzing the report. DCBS staff time is estimated at 519 hours for a Senior Policy Analyst and 173 hours for an actuary. The 2009-11 budget for DCBS anticipates workload related to this and other health policy bills, and no additional resources would be required. Study related costs will be paid through assessments to insurance carriers that fund the Insurance Division. It should be noted that similar studies in prior biennia on complex issues have cost up to \$100,000.

DCBS estimates no fiscal impact from the requirements of this bill.

DCBS and DHS will pursue federal grant funds that may be available to help defray any costs related to this type of a study.