

House Bill 2934

Sponsored by Representative SHIELDS; Representative GREENLICK

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates Health Coverage Purchasing Program in Office of Private Health Partnerships. Imposes assessment on participating employers to fund Health Coverage Purchasing Program. Establishes exemption for participating employers that provide employer-sponsored health benefit plans.

Establishes Health Coverage Purchasing Program Fund. Continuously appropriates moneys in fund to office for purposes of Health Coverage Purchasing Program.

A BILL FOR AN ACT

1
2 Relating to health care coverage for employees; appropriating money; and providing for revenue
3 raising that requires approval by a three-fifths majority.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. As used in sections 1 to 7 of this 2009 Act:**

6 (1) "Carrier" has the meaning given that term in ORS 743.730.

7 (2)(a) "Eligible employee" means an employee of a participating employer that does not
8 offer employees enrollment in an employer-sponsored health benefit plan and who:

9 (A) Is a resident of the State of Oregon;

10 (B) Is employed by the participating employer for an average of more than 100 hours per
11 month; and

12 (C) Has been employed by the participating employer for more than 90 days.

13 (b) "Eligible employee" does not include individuals:

14 (A) Engaged as independent contractors.

15 (B) Whose periods of employment are on an intermittent or irregular basis.

16 (3) "Employer" includes:

17 (a) Any person employing any individual in this state;

18 (b) This state or an agency or political subdivision of this state;

19 (c) A city, county, school district or other municipal corporation or taxing district in this
20 state; and

21 (d) The federal government, if the federal government consents to be subject to the as-
22 sessment imposed by section 4 of this 2009 Act.

23 (4) "Enrollee" means an eligible employee or family member of an eligible employee who
24 is enrolled in health benefit plan coverage through the Health Coverage Purchasing Program.

25 (5) "Family member" has the meaning given that term in ORS 735.700.

26 (6) "Health benefit plan" has the meaning given that term in ORS 743.730.

27 (7) "Participating employer" means an employer in this state that is not a small em-
28 ployer.

29 (8) "Small employer" has the meaning given that term in ORS 743.730.

30 (9) "Wages" has the meaning given that term in ORS 316.162.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 2.** (1) The Health Coverage Purchasing Program is created in the Office of
 2 Private Health Partnerships. The purpose of the program is to provide health benefit plan
 3 coverage to eligible employees and family members.

4 (2) The office shall:

5 (a) Establish benefit requirements for health benefit plans offered by the Health Coverage
 6 Purchasing Program including, but not limited to, the types of services covered, deductibles,
 7 coinsurance and copayment levels for specific benefits and a maximum amount of annual
 8 out-of-pocket costs; and

9 (b) Contract for and offer health benefit plans for participating employers.

10 (3) When establishing the deductibles, coinsurance and copayments under subsection (2)
 11 of this section, the office shall consider the impact of the out-of-pocket costs on the ability
 12 of an enrollee to pay the employee contribution and to access timely and appropriate health
 13 care.

14 (4) In carrying out its duties under sections 1 to 7 of this 2009 Act, the office shall:

15 (a) Enter into contracts for administration of sections 1 to 7 of this 2009 Act, including
 16 paying carriers and collecting assessments and employee contributions;

17 (b) Enter into contracts with one or more carriers for each type of health benefit plan
 18 contracted for and offered;

19 (c) Set the annual employer assessment rate needed to provide health benefit plan cov-
 20 erage for all enrollees;

21 (d) Collect assessments and employee contributions; and

22 (e) Adopt rules to implement and administer the program.

23 (5) The office shall refer to the Department of Human Services enrollees who may be
 24 eligible for health care services through the state medical assistance program or the State
 25 Children's Health Insurance Program.

26 (6) A participating employer that is aggrieved by an action of the office taken pursuant
 27 to sections 1 to 7 of this 2009 Act is entitled to notice and an opportunity for a contested case
 28 hearing under ORS chapter 183.

29 **SECTION 3.** (1) The Health Coverage Purchasing Program Fund is established in the
 30 State Treasury separate and distinct from the General Fund. The Health Coverage Purchas-
 31 ing Program Fund consists of assessments and employee contributions received under sec-
 32 tion 4 of this 2009 Act, penalties collected under section 6 of this 2009 Act and moneys
 33 appropriated to the fund by the Legislative Assembly. Interest earned by the fund shall be
 34 credited to the fund.

35 (2) The moneys in the Health Coverage Purchasing Program Fund are continuously ap-
 36 propriated to the Office of Private Health Partnerships for the purposes of sections 1 to 7
 37 of this 2009 Act.

38 **SECTION 4.** (1) An assessment is imposed on each participating employer in this state
 39 in an amount determined by the Office of Private Health Partnerships that is the office's
 40 best estimate of the amount needed to fund the Health Coverage Purchasing Program.

41 (2) The office shall establish an annual assessment rate that applies for a 12-month pe-
 42 riod beginning January 1. The office shall establish the assessment by determining the total
 43 amount necessary to pay for health benefit plan coverage for eligible employees and family
 44 members identified by participating employers as potential enrollees. The office may include
 45 costs associated with the administration of the program in determining the assessment.

1 Upon request of the office, each participating employer shall provide to the office specific
 2 information regarding the employer's eligible employees and family members.

3 (3) The office shall assess each participating employer based on the number of eligible
 4 employees and family members that the employer determines are likely to enroll in the
 5 program.

6 (4)(a) Except as provided in paragraph (b) of this subsection, an enrollee shall contribute
 7 an amount not to exceed 20 percent of the fee assessed to the participating employer toward
 8 the enrollee's health benefit plan coverage. A participating employer shall collect the enrollee
 9 contributions and submit the contributions concurrently with the remainder of the assess-
 10 ment.

11 (b) For an enrollee whose income is not more than 200 percent of federal poverty guide-
 12 lines, the enrollee contribution may not exceed five percent of the enrollee's wages.

13 (c) A participating employer may agree to pay more than 80 percent of the assessment.

14 (5) Except as provided in subsection (4) of this section, a participating employer may not
 15 make a deduction from the wages of an enrollee to pay a portion of the assessment imposed
 16 under this section.

17 **SECTION 5.** (1) The Office of Private Health Partnerships shall establish the assessment
 18 rate under section 4 of this 2009 Act on or before October 1 preceding the 12-month period
 19 for which the assessment applies. On or before October 31, the office shall notify a partic-
 20 ipating employer of the amount of the assessment to be imposed on the employer for the
 21 12-month period beginning the next January 1.

22 (2)(a) Except as provided in paragraph (b) of this subsection, a participating employer
 23 shall pay the assessment by December 15 of each year.

24 (b) Upon request of a participating employer, the office may accept periodic payments
 25 of an assessment.

26 **SECTION 6.** (1) A participating employer that fails to pay an assessment under section
 27 4 of this 2009 Act by the date the payment is due shall be subject to a penalty of \$500 per
 28 day of delinquency. The total amount of penalties imposed under this section may not exceed
 29 _____ percent of the assessment.

30 (2) Penalties imposed under this section shall be collected by the Office of Private Health
 31 Partnerships and deposited in the Health Coverage Purchasing Program Fund.

32 (3) Penalties paid under this section are in addition to and not in lieu of the assessment
 33 imposed under section 4 of this 2009 Act.

34 **SECTION 7.** (1) The Office of Private Health Partnerships may determine that a partic-
 35 ipating employer is exempt from the assessment if the participating employer provides health
 36 benefit plan coverage comparable to the health benefit plan coverage provided by the Health
 37 Coverage Purchasing Program to enrollees.

38 (2) A participating employer may apply to the office for an exemption by providing proof
 39 of health benefit plan coverage provided to employees.

40 (3) A participating employer shall provide documentation of an employer-sponsored
 41 health benefit plan on forms prescribed by the office.