

Joint Committee on Ways and Means

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

Revenue: No revenue impact

Fiscal: Fiscal statement issued

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Action: Do Pass the A-Engrossed Measure

Vote: 23 – 0 – 1

House

Yeas: Barker, Buckley, Cowan, Edwards, Garrard, Gilman, Jenson, Komp, Kotek, Nathanson, Richardson, G. Smith

Nays:

Exc:

Senate

Yeas: Bates, Courtney, Edwards, Girod, Johnson, Monroe, Nelson, Shields, Verger, Whitsett, Winters

Nays:

Exc: Kruse

Prepared By: John Britton, Legislative Fiscal Office

Meeting Date: February 17, 2010

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**WHAT THE MEASURE DOES:** Establishes the Temporary High Risk Pool Program and program fund. Specifies that program is to be administered by the Oregon Medical Insurance Pool Board (OMIP Board). Authorizes Oregon Health Authority to seek approval from U.S. Department of Health and Human Services for federal funding for the program. Becomes operative upon receipt of federal approval. Sunsets January 2, 2016. Declares an emergency and takes effect upon passage.

**ISSUES DISCUSSED:**

- Whether the proposed federally funding might be used to reduce either the premium paid by OMIP beneficiaries or the assessment paid into OMIP by commercial insurers. (It likely will not. The Federal Funds would be used to add more people in need of insurance to OMIP, rather than used to supplant either premium payments or assessments.)
- What the bill does.

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Oregon Medical Insurance Pool (OMIP) is the state's high-risk health insurance pool. The 2009-11 legislatively adopted budget for OMIP is \$407.1 million (Non-limited Other Funds). The program insures about 18,000 Oregonians who fall into one or more of the three following eligibility categories: 1) those who are unable to obtain commercial medical insurance because of pre-existing health conditions; 2) those who are eligible for portability coverage but have no access to commercial Oregon portability plans; and 3) those who are eligible for an 80% Federal Health Coverage Tax Credit because they lost their employment due to foreign trade or their company declared bankruptcy and they fall under the Pension Benefit Guarantee Corporation.

OMIP enrollees coverage about 50% of the program's medical and drug claim costs through premium payments, with the remaining cost covered by an assessment on commercial insurers doing business in Oregon. Oregon is one of 34 states with a high-risk pool.

National health reform legislation proposals have included an expansion of state high-risk pools as an interim way to make health insurance available to more uninsured people. Both the House and Senate versions of health care reform packages contain provisions that require the Secretary of the U.S. Department of Health and Human Services to establish a Temporary National High Risk Pool Program. Most analysts assume that such a program would make use of existing state high-risk pools, such as OMIP. HB 3659-A creates a fund that would contain any Federal Funds received from the federal government for a high-risk pool program. Monies in the fund are continuously appropriated to the OMIP Board. Expenditures from this fund could be limited by the Legislative Assembly—although expenditures from the OMIP are currently non-limited.