

**2010 Special Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 3632                      **STATUS:** A Engrossed  
**SUBJECT:** Directs the Oregon Health Authority to study the viability of implementing a pay or play system of employer-based health insurance coverage in Oregon  
**GOVERNMENT UNIT AFFECTED:** Oregon Health Authority (Department of Human Services)  
**PREPARED BY:** Kim to  
**REVIEWED BY:** John Britton  
**DATE:** February 5, 2010

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

**EFFECTIVE DATE:** On Passage

**INTERIM JOINT COMMITTEE ON WAYS AND MEANS:** The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

**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:** House Bill 3632 directs the Oregon Health Authority (OHA) to study the viability of implementing a pay or play system of employer-based health insurance coverage in Oregon. The Authority is required to report the results of the study in the form of an executive summary to the Legislative Assembly no later than December 31, 2010. If the Authority determines that such a system is viable, the Authority is instructed to include policy options and recommendations for implementing the system.

The Department of Human Services (Oregon Health Authority) reports the fiscal impact of this measure to be minimal. Existing staff in the Office of Health and Policy Research (OHPR) would carry out the viability study, and develop policy options and recommendations using existing resources.

Note that given the mandate to only deliver policy options and recommendations, the Authority does not anticipate expending resources to perform the comprehensive economic modeling required for a full implementation plan. The lack of this data and analysis may hinder the policy decision making process by limiting decision makers' ability to sufficiently evaluate the full economic implications and fiscal impact of any policy options and recommendations brought forth by the Authority.