

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Ways and Means
Vote:	8 - 0 - 0
Yeas:	Conger, Doherty, Esquivel, Hoyle, Johnson, Matthews, Kennemer, Schaufler
Nays:	0
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	3/28, 4/18

WHAT THE MEASURE DOES: Modifies the annual Oregon Medical Insurance Pool assessment for reinsurers.

ISSUES DISCUSSED:

- Purpose of stop-loss insurers in the health insurance market
- Rationale behind the proposed formula change
- Effect of Oregon Medical Insurance Pool going away in 2014 due to federal health care legislation
- Who will pay the difference due to the measure's proposed formula change
- Cost shift to individual and portability health insurance policyholders in Oregon
- Impact of the measure to Public Employees Benefit Board and Oregon Educators Benefit Board members

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Medical Insurance Pool (OMIP) is the state's high-risk health insurance pool, established by the 1987 Legislative Assembly to cover adults and children who are unable to obtain medical insurance because of health conditions, and to provide continuing insurance coverage for those who have exhausted Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits and have no other options to obtain coverage. OMIP is paid for by a combination of monthly premiums and an assessment on all insurance companies that provide health insurance to Oregonians, both traditional insurers and stop loss insurers that are utilized to protect Taft-Hartley trusts and other self-insured employer plans.

When the OMIP Board determines that the funds in the OMIP Account are or will become insufficient for payment of the pool's expenses in a timely manner, the board must identify the amount of funds needed and impose and collect assessments against insurers for that amount. The assessment formula, as outlined in statute, is determined by multiplying the total amount to be assessed by a fraction (numerator equaling the number of Oregon insureds and certificate holders insured or reinsured by each insurer, denominator equaling the total of all Oregon insureds and certificate holders insured or reinsured by all insurers), all determined as of March 31 each year.

House Bill 3033 modifies the established formula by clarifying that the fraction's numerator equals the sum of the insurer's total number of Oregon covered lives, excluding those that are reinsured, plus ten percent of the insurer's total number of Oregon covered lives that are reinsured; and the denominator equal the total number of Oregon covered lives insured by all Oregon insurers, excluding those what are reinsured, plus ten percent of the total number of Oregon covered lives that are reinsured by all insurers.

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This summary has not been adopted or officially endorsed by action of the committee.