

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 8 - 0 - 0

Yeas: Cannon, Doherty, Hoyle, Kennemer, Parrish, Weidner, Greenlick, Thompson

Nays: 0

Exc.: 0

Prepared By: Sandy Thiele-Cirka, Administrator

Meeting Dates: 5/9, 5/23

WHAT THE MEASURE DOES: Requires health insurance carrier to offer, in each individual and small group market in which carrier offers health benefit plan to provide bronze and silver plan coverage. Specifies requirements for catastrophic plan. Specifies operative date of January 2, 2014.

ISSUES DISCUSSED:

- Current requirement that Department of Consumer and Business Services (DCBS) develop basic plan
- Federal requirements relating to “metal plans”
- Difference between “bronze” and “silver” plans
- Catastrophic coverage only inside the Exchange

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: As a part of the federal Patient Protection and Affordable Care Act (PPACA), the United States Department of Health and Human Services will define the essential benefits package. In order for a health benefit plan to qualify to be offered through state-run health insurance exchanges, the plan must cover all the services in the essential benefits package. PPACA defines four levels of coverage that vary based on the actuarial value of what the insurer pays at that level: Platinum – 90 percent; Gold – 80 percent; Silver – 70 percent; and Bronze – 60 percent. Additionally, PPACA provides for a catastrophic plan that is limited to individuals under the age of 30 or who are exempt from any federal or state penalty for failing to maintain minimal essential coverage.

Senate Bill 91-A requires all health care insurers selling health benefit policies in Oregon to offer both the Bronze and Silver level plans inside and outside of the Oregon Health Insurance Exchange (Exchange). The measure also limits the sale of catastrophic plans to within the Exchange. These requirements are to encourage young and healthy individuals, who are more likely to buy the lower level or catastrophic plans, to participate in the Health Insurance Exchange.