

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Bates, Kruse, Morse, Shields, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Brian Nieuburt, Administrator
Meeting Dates:	<i>Subcommittee: 3/24, 3/28, Full: 4/13, 4/14</i>

WHAT THE MEASURE DOES: Requires health insurance carriers transacting business in Oregon to offer health benefit plans that provide bronze and silver plan coverage. Requires the Department of Business and Consumer Services to prescribe by rule the requirements for a bronze and silver plan so that they are actuarially equivalent to 60 and 70 percent respectively of the full actuarial value of benefits included in the essential health benefits package prescribed by the United States Secretary of Health and Human Services. Requires health insurers to offer catastrophic coverage only through the Oregon Health Insurance Exchange (Exchange) and only to individuals who are under 30 years of age or who are exempt from any federal or state penalties for failing to maintain minimal essential coverage.

ISSUES DISCUSSED:

- Federal requirements regarding “metal plans”
- Current Oregon law requiring basic health plan in the small group market
- Rationale for mandating catastrophic coverage only inside the Exchange

EFFECT OF COMMITTEE AMENDMENT: Replaces measure except for Section 4, which requires health insurers to offer catastrophic coverage only through the Oregon Health Insurance Exchange and only to individuals who are under 30 years of age and exempt from any federal or state penalties for failing to maintain minimal essential coverage.

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 an 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 also 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. PPACA also 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 Exchange. The bill also limits the sale of catastrophic plans to within the Exchange. These requirements are designed to encourage young and healthy individuals, who are more likely to buy the lower level or catastrophic plans, to participate in the Exchange.

4/20/2011 3:32:00 PM

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