

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass
<b>Vote:</b>	5 - 3 - 0
<b>Yeas:</b>	Cannon, Doherty, Hoyle, Greenlick, Thompson
<b>Nays:</b>	Kennemer, Parrish, Weidner
<b>Exc.:</b>	0
<b>Prepared By:</b>	Sandy Thiele-Cirka, Administrator
<b>Meeting Dates:</b>	5/6, 5/9, 5/25, 6/1

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**WHAT THE MEASURE DOES:** Establishes Oregon Health Insurance Exchange Corporation as public corporation to be governed by nine member board of directors, and supervised by executive director. Specifies duties, functions and powers of corporation. Requires corporation to deliver to appropriate interim committees and Joint Committee on Ways and Means formal business plan or draft business plan before convening of 2012 Legislative Assembly regular session. Specifies operations of health insurance exchange administered by corporation. Makes operations operative on date that Legislative Assembly approves formal business plan. Establishes Oregon Health Insurance Exchange Fund and continuously appropriates moneys in fund for purpose of carrying out duties, functions and powers of corporation. Exempts corporation from certain laws regulating government entities. Prohibits person from filing or causing to be filed with executive director false or misleading information. Authorizes imposition of civil penalty of no more than \$10,000 for committing violation. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Current strain on small businesses
- Potential benefit for all businesses
- Concerns with conflict of interest issues relating to board membership
- Concerns associated with the Exchange's inability to negotiate costs
- Review of purchase model
- Support for Senate Bill 99-A
- Support for Senate Bill 99-A -14 amendment
- Selective contracting
- Legislative Counsel opinion
- Concerns with creating the health insurance exchange

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

**BACKGROUND:** A health insurance exchange is an entity that is intended to create an organized and competitive market for health insurance by offering a choice of plans that establish common rules relating to the offering and pricing of insurance to consumers. In 2009 the Legislative Assembly enacted House Bill 2009 which created the Oregon Health Policy Board (OHPB). OHPB was directed to develop a plan to create an Oregon Health Insurance Exchange. Additionally, the federal Patient Protection and Affordable Care Act (PPACA) passed in 2010, requires implementation of state-based health insurance exchanges by January 1, 2014.

Under PPACA, beginning in 2014 the health insurance market will look different. First, insurance carriers will no longer be able to refuse or limit coverage to individuals based on the existence of preexisting health conditions. Second, most individuals will be required to purchase health insurance coverage or face a monetary penalty.

Senate Bill 99-A establishes the framework for the development and implementation of Oregon's health insurance exchange.

6/2/2011 3:39:00 PM

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