

REVENUE: No revenue impact

FISCAL: Fiscal 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 Niebuurt, Administrator
Meeting Dates:	<i>Subcommittee: 2/17, 2/24, 3/3, 3/10, 3/17, 3/28, 3/31, Full: 4/14</i>

WHAT THE MEASURE DOES: Establishes the Oregon Health Insurance Corporation (Exchange) as a public corporation. Specifies Exchange mission, duties, powers and functions. Requires Exchange to be governed by a board of directors (Board) consisting of two ex officio members and seven members appointed by the Governor and confirmed by the Senate. Defines legislative oversight of Exchange implementation. Requires Board to establish an Individual and Employer Consumer Advisory Committee. Allows Board to establish other advisory and technical committees. Defines functions of Exchange executive director. Defines operations of the Exchange, including insurance carrier and insurance producer participation and certification. Defines employer group markets allowed to purchase through the Exchange. Allows Exchange to adopt rules necessary for operation. Defines confidential information and permitted uses of confidential information. Defines charges and fees to be imposed on insurance carriers and state programs. Establishes the Oregon Health Insurance Exchange Fund. Defines criminal records check requirements. Requires and defines financial and performance audits of the Exchange. Requires and defines quarterly and annual reporting requirements to the Legislative Assembly. Establishes complaints, investigations, false or misleading filings and civil monetary penalty provisions. Declares emergency, takes effect on passage.

ISSUES DISCUSSED:

- Role of insurance producers in the Exchange
- Importance of choice; dual markets
- Impact on, and potential benefit for, small businesses
- Functions of Oregon Health Authority (OHA) and the Department of Consumer and Business Services (DCBS) in the Exchange
- Financial accountability
- Mechanics and timing of market segment expansion
- Composition of the Board and conflicts of interest
- Insurance carrier participation in the Exchange
- Ability of Exchange to negotiate rates

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: House Bill 2009, passed by the Legislative Assembly in 2009, established the Oregon Health Policy Board and tasked it with developing a plan for creating an Oregon Health Insurance Exchange. The federal Patient Protection and Affordable Care Act (PPACA), passed in 2010, mandates implementation of state-based health insurance exchanges by January 1, 2014.

Under PPACA, beginning in 2014 the health insurance market will look dramatically 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. In this changing environment health insurance exchanges are designed to help individuals compare plans based on quality and price.

Senate Bill 99-A establishes the framework for the Oregon health insurance exchange.

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