

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 Nieubuurt, Administrator
Meeting Dates:	2/21, 2/28

WHAT THE MEASURE DOES: Allows the Department of Consumer and Business Services (DCBS) to establish a reinsurance program for children's coverage within the Oregon Medical Insurance Pool (OMIP). Requires DCBS to impose and collect the costs of the program from insurers. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Guarantee issue open enrollment periods
- Preexisting condition period in high-risk pools
- Mechanics of reinsurance program
- Reinsurance in federal health care reform
- Potential fiscal impact on carriers and state agencies

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: OMIP is the high-risk health insurance pool for the state. It provides health insurance coverage to children and adults who are unable to obtain insurance coverage because of health conditions.

The federal Patient Protection and Affordable Care Act, signed into law in March 2010, includes a requirement that health insurers offering coverage to children under the age of 19 must do so on a guaranteed issue basis without any preexisting condition waiting period. As a result of the adverse selection risks associated with guarantee issue insurance, some of Oregon's insurers stopped issuing policies to children or required that the child's family also be enrolled. SB 514-A would allow DCBS to establish a reinsurance program that would spread the risk of enrolling high-risk children through the existing OMIP assessment mechanism.