



OREGON BUSINESS ASSOCIATION

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Chair Greenlick and members of the committee,

The Oregon Business Association (OBA) is neutral on House Bill 3458-2.

The Oregon Business Association's Health Policy committee appointed a five person sub-committee to review this bill and proposal around the implementation of the federal Affordable Care Act impacting private employers who provide medical insurance to their employees through fully insured or self-insured plans with reinsurance. Four of the five members of the subcommittee represented companies who would pay the new assessment.

Most employers were surprised and concerned with the speed and urgency of this new reinsurance proposal, as many small and medium-sized employers do not have designated staff to monitor state and federal health care changes. Other employers were expecting relief from the Oregon Medical Insurance Pool (OMIP) assessment, as it was to be replaced by a federal reinsurance assessment.

OBA has embraced the major initiatives around health care transformation - Coordinated Care Organizations (CCOs) and the Health Insurance Exchange (Cover Oregon) - because they promise to bend the cost curve down and produce better health outcomes for Oregonians. In addition, Cover Oregon is expected to be the market place for Oregon's part time workers to purchase affordable health benefits. OBA also expects that Cover Oregon will not be implementing an assessment on purchasers of insurance to fund its operations.

OBA very much appreciates the work of the Governor's office to address our concerns with the original draft of the bill. OBA also understands that the state reinsurance program will not reduce the payments received by Oregon insurers under the federal reinsurance program, and urges that the state pay careful attention to ensuring that result is achieved. In conclusion, OBA also understands that the premium tax will not be renewed after sunset.

Thank you for your time and consideration.

D.J. Vogt
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