
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: June 12, 2013

Subject: HB 2432 Relating to cost sharing for coverage of maternal diabetes
Work Session Recommendation

House Bill 2432 prohibits health benefit plans from imposing cost sharing (e.g. copayment, coinsurance, deductible) on covered health services, medications or supplies that are medically necessary for diabetes management for pregnant women at conception and for six weeks postpartum. This requirement applies to health benefit plans issued or renewed on or after January 1, 2014.

The measure previously had hearings in the House Committee on Health Care on 2/6/2013, 4/5/2013, 4/8/2013, and 4/10/2013. A public hearing in this committee was held on 4/30/2013.

The original staff measure summary and fiscal impact statement are attached to this memo, and are available on the Oregon Legislative Information System (OLIS).

Fiscal impact

DCBS anticipates a minimal fiscal impact from the workload associated with rulemaking, consumer education, and enforcement associated with passage of this bill.

There is a potential Other Funds impact on the Oregon Educators Benefit Board (OEBB).

Currently, member cost sharing is included in OEBB coverage of diabetic supplies and medications. According to ODS Health Plans (OEBB's largest insurance carrier), removing cost sharing could result in an additional premium increase of less than 0.1 percent to the OEBB medical plans ODS administers. Assuming the impact on all OEBB medical plans is consistent with this ODS estimate, OHA calculates that passage of this bill could result in an estimated \$612,465 Other Funds Non-Limited increase to medical premium rates for the 2013-15 biennium; and \$1,224,929 Other Funds Non-Limited for the 2015-17 biennium.

Recommendation

The measure is recommended to be moved to the Full Committee.

Motion

Motion: Senator/Representative_____:

I move HB 2432 to the Full Committee with a “do pass” recommendation.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Kim To
Reviewed by: Linda Ames, Susie Jordan
Date: 4/9/2013

Measure Description:

Prohibits cost-sharing for health services, medications and supplies medically necessary for management of diabetes during pregnancy and for six weeks postpartum.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

HB 2432 prohibits health benefit plans from imposing cost sharing (copayment, coinsurance, deductible) on covered health services, medications or supplies that are medically necessary for diabetes management for pregnant women at conception and for six weeks postpartum. This requirement applies to health benefit plans issued or renewed on or after January 1, 2014. The bill contains an emergency clause and takes effect on its passage.

Note that the bill does not specify if coverage is intended for [1] mothers who were previously diabetic (type I or II); [2] those with gestational diabetes resulting from pregnancy; or [3] both. Also note that "health services" is not defined.

Oregon Health Authority (OHA)

Passage of this bill is anticipated to result in additional premium increases to the Oregon Educators Benefit Board (OEBB) medical plans. Currently, member cost sharing is included in OEBB coverage of diabetic supplies and medications. According to ODS Health Plans (OEBB's largest insurance carrier), removing cost sharing could result in an additional premium increase of less than 0.1 percent to the OEBB medical plans ODS administers. Assuming the impact on all OEBB medical plans is consistent with this ODS estimate, OHA calculates that passage of this bill could result in an estimated \$612,465 Other Funds Non-Limited increase to medical premium rates for the 2013-15 biennium; and \$1,224,929 Other Funds Non-Limited for the 2015-17 biennium.

Note that the Oregon Educators Revolving Fund (ORS 243.884) authorizes OEBB to collect employee and employer contributions for pass-thru of benefit premiums to insurance carriers for eligible members. Any proposed legislation resulting in a fiscal impact on revenues or expenditures with regard to insurance premiums provided by OEBB will impact any educational entity that has mandated or elective coverage under OEBB. These entities include school districts, community colleges, education service districts and some charter schools.

Passage of this bill will have no fiscal impact on the Public Employees' Benefit Board (PEBB) because PEBB plans currently cover these services as medically necessary at the prescribed benefit level.

Department of Consumer and Business Services (DCBS)

DCBS anticipates a minimal fiscal impact from the workload associated with rulemaking, consumer education, and enforcement associated with passage of this bill.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	8 - 0 - 1
Yeas:	Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Weidner, Greenlick
Nays:	0
Exc.:	Clem
Prepared By:	Tyler Larson, Administrator
Meeting Dates:	2/6, 4/5, 4/8

WHAT THE MEASURE DOES: Prohibits health benefit plans from imposing copayment, coinsurance requirement or deductible on covered health services, medications or supplies medically necessary for management of diabetes from conception through six weeks postpartum. Clarifies cost-sharing prohibition is for health services, medications and supplies medically necessary for pregnant woman to manager her diabetes. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Financial barriers to necessary medical treatment for diabetic women who become pregnant
- Fetal risks during first 6-12 weeks of pregnancy
- Personal experience as pregnant diabetic
- Costs to insurers
- Fiscal impact

EFFECT OF COMMITTEE AMENDMENT: Clarifies prohibition on cost sharing extends from conception through six weeks postpartum. Clarifies cost-sharing prohibition is for health services, medications and supplies medically necessary for pregnant woman to manager her diabetes.

BACKGROUND: Diabetic women who become pregnant have a higher risk of birth abnormalities, in utero or neonatal demise, as well as delivery problems as a result of the fetus' exposure to high blood sugars. Generally, these women also face a higher risk of pre-eclampsia, placenta previa and other conditions than non-diabetic pregnant women. Diabetic women who become pregnant require increased testing, prescriptions, supplies, equipment and required weekly visits to ensure their health and safety. Proponents assert that these women with commercial insurance face increased barriers to accessing the necessary pre-natal care.

House Bill 2432-A prohibits cost sharing for health services, medications and supplies medically necessary for a pregnant woman to manager her diabetes from conception to six weeks postpartum.