



## ACA Compliance/Transformation Legislation – 2013

### Medicaid Policy Bills

#### HB 2859: Alignment of state law with changes to federal Medicaid and Children's Health Insurance Program Laws

- Makes technical and definitional fixes to clarify responsibilities of DHS and OHA in determining eligibility for public and medical assistance
- Makes changes in state statutes regarding medical assistance eligibility to conform with changes in federal law
- Allows Cover Oregon to be included in the transfer of information and delegation of duties for medical assistance eligibility determinations

#### HB 2091: Transition children under 300% of federal poverty level (FPL) to the Oregon Health Plan and phase out Healthy Kids Connect program

- Ends Healthy Kids Connect (HKC) and transitions the HKC children to the Oregon Health Plan, starting in October 2013 for newly eligible kids and taking one year for transition of current enrollees



## Commercial Market Alignment and Stabilization

### HB 2240: Implementation of State and Federal Health Insurance Reform Measures

- Phases out the Office of Private Health Partnerships (OPHP) and the Family Health Insurance Assistance Program (FHIAP). Clients will transition to Medicaid or to the private plans offered on Cover Oregon
- Completes changes to the Insurance Code needed to complete the state health care transformation started in 2009 as it impacts insurance
- Provides authority to DCBS to make future changes necessary to reflect guidance and regulations received from federal agencies related to implementation of the ACA
- Makes changes to the Insurance Code necessary to reflect federal requirements under the Affordable Care Act

### LC 3718: State supplemental re-insurance program

Would create a supplemental state-level reinsurance program

- Provides additional Stop Loss protection for high claims costs associated with people moving from Oregon Medical Insurance Pool (OMIP), Federal Medical Insurance Pool, Children's Re-insurance and portability plans
- Funded by repurposing current OMIP assessment authority
- Restructures OMIP and its Board to create and administer the program
- Sunsets January 1, 2017

Effect

- Combined with federal reinsurance, would reduce premiums on average 15 percent in the first year
- Would make premiums in the individual market more affordable and keep people covered, thus reducing cost-shift to businesses for uncompensated hospital care

Background

- Under the Affordable Care Act, in 2014 there will be new standards for health insurance policies that mean everyone will qualify for coverage, even if they have a pre-existing condition. Oregon's current high-risk pool will no longer exist and its current members will have access to these new products
- Under the new plans, preventive care will be covered in full, and all plans will offer a set of minimum essential health benefits.
- Due to all of these factors, the new plans could initially cost more. According to a preliminary actuarial analysis, the average premium increase could go from \$202 to \$279
- Based on income, most people in the individual market are expected to qualify for tax credits to make premiums more affordable through Cover Oregon
- People who will not qualify for a discount are expected to experience potential premium increases for new essential benefit plans