

From the desk of
Rep. Nancy Nathanson
N. Nathanson



Service Employees International Union, Local 503, OPEU

VOTE YES ON HB 3458-A ENGROSSED

State Transitional Reinsurance

Starting January 1, 2014, due to the passage of the federal Affordable Care Act (ACA)—and the legislature's passage to create a state health insurance exchange—Oregonians will gain access to health insurance in the individual insurance market. This market will serve anyone not covered through an employer-sponsored health plan. Under the ACA, insurers can no longer deny coverage based on pre-existing health conditions, making the state programs and policies providing for people with pre-existing conditions no longer necessary.

The current state program is the Oregon Medical Insurance Pool, which provides health insurance to those who have been denied coverage due to pre-existing conditions. The program is paid for by a premium on all Oregon insurance carriers. This pool of people will now be transferred into Oregon's health insurance exchange and the funding structure will work similar to the current OMIP structure with a savings to the state.

In order to mitigate the cost of potentially increasing premiums, the federal government will provide for reinsurance to cover a portion of the risk. In addition, HB 3458-A engrossed will establish an Oregon Reinsurance Program to help mitigate for an additional portion of the risk of this unhealthy population for years 2014 through 2016.

This should help mitigate any premium rate increases due to this unhealthy pool of people entering Oregon's private health insurance risk pool and transition this new market. Oregonian insurance consumers need this additional safety net.

SEIU urges your yes vote on HB 3458-A engrossed.