

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2432

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

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

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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)

HB 2432 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 0.5 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 HB 2432 could result in an estimated \$3,062,324 Other Funds Non-Limited increase to medical premium rates for the 2013-15 biennium; and \$6,124,647 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.