

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
**Seventy-Seventh Oregon Legislative  
Assembly**  
**2013 Regular Session**  
**Legislative Revenue Office**

**Bill Number: HB 3458 - A**  
**Revenue Area: Insurance**  
**Economist: Dae Baek**  
**Date: 4/22/2013**

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

**Measure Description:** Establishes the Oregon Reinsurance Program to be administered by the Oregon Medical Insurance Pool Board. Ends the program on December 31, 2016. Closes the Oregon Medical Insurance Pool on December 31, 2013. Takes effect on passage.

**Revenue Impact (in \$Millions):**

	Biennium	
	2013-15	2015-17
Oregon Reinsurance Program	\$ 104.2	\$ 72.2
Oregon Medical Insurance Pool	-\$ 101.0	\$ 0

Data source: Oregon Health Authority, Oregon Department of Consumer and Business Services

**Impact Explanation:** When the federal Affordable Care Act starts on January 1, 2014, more Oregonians will have access to health insurance plans in the individual insurance market. With the law in effect, health plans are expected to cost more for certain Oregonians. The Oregon Reinsurance Program is a temporary reinsurance program that pays a portion of high claims costs and helps to stabilize individual market premiums. The program spreads a portion of exceptional claims costs for about 2,100 high-risk Oregonians to large and small employer groups as well as individuals. The program will be funded by an annual assessment on all insurers defined in the bill for calendar years 2014, 2015, and 2016. The assessment will be at a rate that is expected to produce revenues meeting the needs of reinsurance payments. However, the maximum amount of total assessment for any given calendar year is specified in the bill.

The predecessor to the Oregon Reinsurance Program is the Oregon Medical Insurance Pool (OMIP). It was scheduled to close in June, 2014. The revenue impact captures the expected revenue loss due to an early closing of the program.

**Creates, Extends, or Expands Tax Expenditure:**      Yes  No