

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2240 - A

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:

Aligns Oregon health insurance law with changes in federal law.

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.

Summary of Net Expenditure Impact – Oregon Health Authority

	2013-15 Biennium
General Fund	(237,093)
Other Funds	(65,778)
Federal Funds	40,416,280
Total Funds	\$40,113,409
Positions	0
FTE	(22.50)

Analysis:

House Bill 2240 A-Engrossed amends Oregon health insurance law to align with the Affordable Care Act (ACA), the health care reform legislation, and adds market reforms and federal requirements to the Insurance Code.

Oregon Health Authority (OHA)

House Bill 2240-A abolishes the Office of Private Health Partnership (OPHP) and the Family Health Insurance Assistance Program (FHIAP). OHA reports that currently FHIAP supports approximately 5,333 total lives, approximately 82% will be eligible for direct transfer from FHIAP into the Oregon Health Plan (OHP), and approximately 18% will be directed toward CoverOregon. Planning for client transition has been underway since 2012. Provisions of this bill were anticipated in the 2013-15 Governor's Budget (Policy Option Package 090). Reductions in Personal Services were not included in Package 090. Calculations in this fiscal have been adjusted to reflect the phase out of 31 positions by January 2014.

Expenditure Impact – Abolishing OPHP, and FHIAP

	2013-15 Biennium
General Fund	(2,514,368)
Other Funds	(65,778)
Federal Funds	(2,543,507)
Total Funds	(\$5,123,653)
Positions	0
FTE	(22.50)

Passage of this bill will result in an increase in the population for whom MAP administers benefits. OHA estimates the cost of the population increase to be approximately \$45,237,062 Total Funds for the 2013-15 biennium.

Expenditure Impact – Medical Assistance Programs (MAP)

	2013-15 Biennium
General Fund	2,277,275
Other Funds	0
Federal Funds	42,959,787
Total Funds	\$45,237,062
Positions	0
FTE	0.00

These adjustments will be included in House Bill 5030, the Oregon Health Authority budget appropriation bill.

Department of Consumer and Business Services (DCBS)

Passage of this bill is anticipated to have minimal fiscal impact on the Department of Consumer and Business Services. HB 2240 allows an insurer a one-time opportunity to adjust rates without review by DCBS to reflect new state and federal fees. The bill specifies that DCBS may establish by administrative rule, a procedure for adjusting risk between insurers. DCBS anticipates using existing staff and resources to carry out the rulemaking work required by this bill.