

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2091 - A**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***Prepared by: Kim To  
Reviewed by: Linda Ames  
Date: 4/16/2013**Measure Description:**

Abolishes private health option in Health Care for All Oregon Children Program (Healthy Kids)

**Government Unit(s) Affected:**

Oregon Health Authority (OHA)

**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**

	<b>2013-15 Biennium</b>
General Fund	(11,856,702)
Other Funds	41,738
Federal Funds	(30,489,108)
<b>Total Funds</b>	<b>(\$42,304,072)</b>
Positions	(2)
FTE	(16.81)

**Analysis:**

House Bill 2091 A-Engrossed repeals the private health option in Health Care for All Oregon Children Program (Healthy Kids) and moves all children currently enrolled in that option to the Medical Assistance Programs (MAP). The bill authorizes coverage of all children whose family incomes are 0 to 300 percent of the federal poverty level (FPL), as long as federal financial participation is available for the costs of coverage. The bill contains an emergency clause, and is effective on passage.

Passage of this bill is anticipated to achieve savings for the state. Under current law, Healthy Kids provides private insurance options for children in families with income over 200 percent and up to and including 300 percent of the FPL. Options include Healthy KidsConnect (HKC) which provides plans offered through private market insurance carriers, and Healthy Kids Employer Sponsored Insurance (HK ESI) which covers children on a parent's employer plan. House Bill 2091 abolishes all these private insurance options, and expands eligibility for the medical assistance program. The bill requires OHA to request approval from US Health and Human Services to obtain federal financial participation in paying the costs to provide this coverage for the expanded population. Assuming federal approval, the bill then requires the authority, in cooperation with carriers, to transfer children currently enrolled in the private health option into direct medical assistance coverage by June 30, 2015. Calculations in this fiscal impact statement assume that all children will be transitioned out of Healthy KidsConnect by the end of December 2013.

**Expenditure Impact – Closing Healthy Kids**

	<b>2013-15 Biennium</b>
General Fund	(22,100,723)
Other Funds	41,738
Federal Funds	(59,684,426)
<b>Total Funds</b>	<b>(\$81,743,411)</b>
Positions	(3)
FTE	(17.81)

Passage of this bill will result in an increase in the population for whom MAP administers benefits. In addition to the cost of this increased population, MAP will incur project planning and implementation costs in order to transition all programs from OPHP to MAP. OHA estimates the cost of the population increase to be approximately \$39,439,339 Total Funds for the 2013-15 biennium. In addition, OHA anticipates establishing one limited duration project manager position to coordinate the transition and implementation of all programs. This administrative cost of is estimated at \$201,973 Total Funds [\$101,162 General Fund] for the 2013-15 biennium.

**Expenditure Impact – Medical Assistance Programs (MAP)**

	<b>2013-15 Biennium</b>
General Fund	10,244,021
Other Funds	0
Federal Funds	29,195,318
<b>Total Funds</b>	<b>\$39,439,339</b>
Positions	1
FTE	1.00

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