

Joint Committee on Ways and Means

Carrier – House: Rep. Gallegos
Carrier – Senate: Sen. Steiner Hayward

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 16 – 9 – 1

House

Yeas: Barker, Buckley, Frederick, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: Freeman, Hanna, Huffman, McLane, Richardson

Exc:

Senate

Yeas: Burdick, Devlin, Edwards, Rosenbaum, Steiner Hayward, Winters

Nays: Girod, Hansell, Thomsen, Whitsett

Exc: Johnson

Prepared By: Linda Ames, Legislative Fiscal Office

Meeting Date: May 17, 2013

WHAT THE MEASURE DOES Aligns Oregon health insurance law with Affordable Care Act. Establishes requirements for health benefit plan. Abolishes Office of Private Health Partnerships and ends Family Health Insurance Assistance Program. Modifies Health Care for All Oregon Children program to terminate eligibility at 19 years of age, allows Department of Human Services or Oregon Health Authority to specify eligibility requirements for private health option different from requirements for other medical assistance, allows purchase of insurance through Oregon Health Insurance Exchange (Cover Oregon) for private health option and prohibits child from qualifying for both private health option and other medical assistance programs. Allows Department of Consumer and Business Services (DCBS) to adopt rules for adjusting risk between insurers. Allows insurers to increase rates in 2014 to reflect taxes and fees. Requires DCBS to adopt rules defining network adequacy. Raises the definition of small employer from 50 to 100 employees. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Proposed amendments
- Fiscal impact

EFFECT OF COMMITTEE AMENDMENT: (1) Restores the definition of “group health insurance” because the term is necessary for other provisions of the Insurance Code; (2) Clarifies that a carrier may not deny a small employer coverage under a health benefit plan if they fail to meet participation and contribution requirements, but may require small employers that do not meet those requirements to enroll during the open enrollment period beginning November 15 and ending December 15; (3) Adds language to ensure that premium rating factors are consistent with the Affordable Care Act; (4) Clarifies that carriers may request medical underwriting-type information in connection with the application for coverage in the individual, small group, and large group market. (5) Specifies that the term “applicant” is meant to refer to all persons seeking coverage under a health benefit plan, including children, spouses, and other dependents.

BACKGROUND: In 2010, the federal government enacted the Affordable Care Act (ACA). The ACA aims to decrease the number of uninsured Americans and reduce the overall costs of health care. The ACA creates mandates, subsidies and tax credits to employers and individuals to in order to increase the coverage rate.

Four key pieces of legislation bring Oregon into compliance with the provisions of the ACA and update related programs:

- House Bill 2240-A implements federal requirements in the Oregon insurance code and abolishes programs which become obsolete with the provisions of the ACA.
- House Bill 3458-A establishes the Oregon Reinsurance Program in the Oregon Health Authority. The program will help to stabilize rates and premiums for the market by providing supplemental reinsurance payments to insurers.
- House Bill 2859-A updates Oregon's medical assistance programs to reflect federal Medicaid and Children's Health Insurance Program changes.
- House Bill 2091-A updates the Health Care for All Oregon Children Program to reflect federal requirements.