

Joint Committee on Ways and Means

Carrier – House: Rep. Gallegos
Carrier – Senate: Sen. Bates

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure

Vote: 23 – 2 – 1

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jensen, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc:

Senate

Yeas: Burdick, Devlin, Girod, Hansell, Rosenbaum, Steiner Hayward, Whitsett, Winters

Nays: Edwards, Thomsen

Exc: Johnson

Prepared By: Linda Ames, Legislative Fiscal Office

Meeting Date: May 17, 2013

WHAT THE MEASURE DOES: Establishes Oregon Reinsurance Program to be administered by Oregon Medical Insurance Pool Board. Defines qualifications for reinsurance eligible health benefit plans and reinsurance payments. Defines attachment point, reinsurance cap and coinsurance rates for 2014, and requires board to adopt by rule rates for 2015 and 2016. Ends program December 31, 2016 and abolishes OMIP January 1, 2017. Declares an emergency, effective on passage. Clarifies Board's authority to make adjustments to payment parameters. Removes references to federal program. Requires assessment be sufficient for administrative costs and projected reinsurance payments. Clarifies what insurers are subject to assessment base. Clarifies that excess funding will be returned to companies on pro-rata basis. Require insurer to identify impact of reinsurance payments in rate filing.

ISSUES DISCUSSED:

- Fiscal impact
- Relationship to current insurer assessments

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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.