

Joint Committee on Ways and Means

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

Revenue:

Fiscal: Fiscal statement issued

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

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Linda Ames, Legislative Fiscal Office

Meeting Date: March 3, 2014

WHAT THE MEASURE DOES: Authorizes money from the Oregon Medical Insurance Board (OMIP) account to fund the Temporary Medical Insurance Pool (TMIP). Defines terms relating to Oregon Transitional Reinsurance Program (OTRP) to align the program with expected changes to the federal reinsurance program. Establishes various OTRP coinsurance rates based on varying circumstances such as the national coinsurance rate. Extends eligibility for OTRP payments to claims incurred by high-risk individuals who enroll by the end of the initial 2014 open enrollment. Authorizes the use of any remaining balance from premium assessments established under ORS 743.951 and 743.961 to fund the Temporary Medical Insurance Program (TMIP).

ISSUES DISCUSSED:

- Implementation of amendment by Department of Consumer and Business Services

EFFECT OF COMMITTEE AMENDMENT: Allows insurers to continue a transitional health benefit plan until December 31, 2015 or a later date if specified by the Department of Consumer and Business Services (DCBS). Allows DCBS to allow carriers to keep transitional health benefit plans in force beyond December 31, 2015 if the federal government issues guidance that allows an extended period for these renewals. Repeals the provision allowing a transitional health benefit plan on January 2, 2017.

BACKGROUND: The Oregon Medical Insurance Pool (OMIP) was created in 1987 to provide medical insurance coverage to Oregon residents with pre-existing conditions. OMIP clients were to be transferred by the end of 2013 to the Oregon Health Plan (OHP) directly or directed toward Cover Oregon for eligibility determination and then coverage in either a Qualified Health Plan (QHP) or OHP. However, as the Cover Oregon roll out became increasingly delayed, it became apparent that all of the OMIP members would not make it through the Cover Oregon process and would be without health insurance coverage on January 1, 2014. OHA began the process of creating the Temporary Medical Insurance Program (TMIP) in December 2013. The program was implemented in time to provide a safety net for former OMIP members so they would not be without health insurance on January 1, 2014.

On January 1, 2014, thousands of Oregonians gained access to health insurance in the individual market through implementation of Affordable Care Act (ACA) market reforms. An analysis of the impact of these reforms estimated that Oregon individual premiums would rise, on average, to cover expanded benefits and the elimination of medical underwriting. A key driver of this change is the entrance of individuals currently insured through the state and federal high-risk pools, children reinsured in the Children's Reinsurance Pool and carrier portability plans, into the guaranteed issue individual health insurance market. To stabilize premiums in the individual market, the ACA establishes a transitional federal reinsurance program. The reinsurance program is anticipated to stabilize individual market premiums and spread large claims costs for high-risk enrollees to reduce uncertainty during implementation of market reforms. The state reinsurance program is intended to wrap around, but not duplicate the transitional federal reinsurance program.