

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4110 - B18**

Seventy-Seventh Oregon Legislative Assembly – 2014 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Prohibits insurer from denying reimbursement under health benefit plan for covered services provided to person in custody of local supervisory authority, if person is in custody pending disposition of charges; limits the reimbursement to 115 percent of the Medicare rate for the service or supply.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA), Cities, Counties, Department of Consumer and Business Services (DCBS), Special Districts

**Summary of Expenditure Impact:**

Please see analysis

**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.

**Analysis:**

The measure prohibits the denial of reimbursement under a health benefit plan for covered services provided to a person in custody of a local supervisory authority (as defined in statute) awaiting disposition of charges or because a person receives publicly funded medical care while in the custody of a local supervisory authority or because the services were provided by an employee or contactor of a local supervisory authority.

The measure is expected to have a fiscal impact on public entities providing health benefit plans through the Public Employees' Benefit Board (PEBB) and the Oregon Educators' Benefit Board (OEBB). PEBB and OEBB both anticipate increased premiums resulting from the additional reimbursements required by the bill. There is no information available to PEBB, OEBB or their carriers regarding the number of members that have been or may be in local supervisory authority custody, the length of time in custody, or the medical and mental care services provided, so therefore the fiscal impact is indeterminate.

The measure also includes a provision that prohibits a public body from paying the health benefit plan premiums on behalf of a person who is in the custody of a local supervisory authority. The provision would seem to require a public body to monitor its employees and dependents that are plan participants and withhold plan premiums in the event that a covered plan participant fell under the custody of a local supervisory authority. The measure does not speak to pro-rating the premium payment to reflect the number of days in custody and if the public body is to resume premium payments if released from custody. The ambiguity of the implementation of this provision makes the fiscal impact indeterminate.