

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4110 - C

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

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

Prepared by: Matt Stayner
Reviewed by: Kim To, Linda Ames
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Measure Description:

Prohibits insurer from denying reimbursement under health benefit plan for covered services provided to pre-adjudicated person in custody of a local supervisory authority; requires insurer to reimburse local supervisory authority at no less than 115 percent of the Medicare rate for the services provided. The measure details specific rights and prohibitions of insurer related to reimbursements and services provided and prohibits a public body from paying plan premiums on behalf of a person in the custody of a local supervisory authority.

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.