REVENUE: No revenue impact
FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 1
Yeas:	Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Weidner, Greenlick
Nays:	0
Exc.:	Clem
Prepared By:	Sandy Thiele-Cirka, Administrator
Meeting Dates:	2/3, 2/10

WHAT THE MEASURE DOES: Specifies that insurer may not issue or deliver a policy against the risk of economic loss assumed under less than fully insured employee health benefit plan to an employer group with fewer than 51 employees. Declares emergency, effective on passage.

ISSUES DISCUSSED:
- Importance of employers with 51-100 maintaining self-insured status
- Savings to small employers that self-insure
- Stop-loss coverage
- Difference between small group definition and "covered lives"
- Difference between "covered lives" and "full-time employees"
- Proposed amendment

EFFECT OF COMMITTEE AMENDMENT: Deletes covered lives and replaces with employees.

BACKGROUND: House Bill 2240 was enacted during the 2013 Legislative Session. The measure brought Oregon's insurance code into alignment with the federal Affordable Care Act (ACA). One component of the bill expands the definition of "small group" from the current 1 – 50 to 1 – 100 employees beginning in January 2016. Currently, when a group self-insurers it purchases stop-loss coverage to protect itself against catastrophic, high-cost claims, small groups are excluded from purchasing this type of coverage, which in effect prohibits them from self-insuring. With the expansion of the "small group" definition (beginning in 2016) to include groups 51-100 employees, the prohibition on self-insurance will be expanded. There are a number of Oregon businesses with 51 – 100 employees that are self-insured.

House Bill 4050-A changes the 1 – 100 employees requirement to fewer than 51 employees from the prohibition of self-insurance.