

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4154 - A

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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Date: 2/18/2014

Measure Description:

Requires Oregon Health Insurance Exchange Corporation to request federal approval to take specified steps to protect Oregon residents and businesses from consequences of operational delays in Cover Oregon website.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS), Cover Oregon [Private Corporation]

Summary of Expenditure Impact:

	2013-15 Biennium	2015-17 Biennium
Other Funds		
Administration	\$171,084	
Claims	\$5,007,096	
Total Funds	\$5,178,180	\$0

Summary of Revenue Impact:

	2013-15 Biennium	2015-17 Biennium
Other Funds		
Enrollee Premiums	\$2,194,464	
Premium Assessment Carry Forward	\$2,983,716	
Total Funds	\$5,178,180	\$0

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:

House Bill 4154 A-Engrossed:

- Requires Cover Oregon to request the federal government to extend the open enrollment period through April 30, 2014 and pay premium tax credits and cost-saving reductions to Oregon residents who meet specific criteria.
- Requires Cover Oregon to request approval to extend the small business tax credits and individual premium subsidies and cost-share reductions to Oregonians unable to enroll through Cover Oregon.
- 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).
- Modifies the Governor's power to remove members of the board of directors for Cover Oregon.

Oregon Medical Insurance Board (OMIP) / Temporary Medical Insurance Pool (TMIP)

The Oregon Health Authority estimates the fiscal impact of this client transition to be \$5,178,180 Other Funds. This amount is based on reported enrollment into the TMIP program as of February 4, 2014, and assumes that approximately 1,800 enrollees will use TMIP between January and March 2014. This estimate may need to be adjusted as depending on the utilization and rates charged by providers. OHA estimates that funding for these expenditures will come from enrollee premiums [\$2,194,464], and the premium assessments established under ORS 743.951 and 743.961 [\$2,983,716].

Oregon Transitional Reinsurance Program (OTRP)

Changes made to the Oregon Transitional Reinsurance Program by this bill to align with the federal reinsurance program may result in savings. At this time the amount of potential savings is indeterminate.