

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4110 - B**

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 county sheriff, if person is in custody pending disposition of charges; Expands definition of “Biosimilar product” to include a biological product that is highly similar to a prescribed biological product and has been approved by the U.S. FDA; Requires the Oregon Health Authority to convene a work group to facilitate a comprehensive discussion of the public policy issues surrounding the limitation of the utilization and scope of health care coverage.

**Government Unit(s) Affected:**

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

**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 county sheriff awaiting disposition of charges or because a person receives publicly funded medical care while in the custody of a sheriff or because the services were provided by an employee or contactor of a county.

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 sheriff custody, the length of time in custody, or the medical and mental care services provided, so therefore this portion of 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 county sheriff office. 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 county sheriff. 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.

The Board of Pharmacy would require a revision of its rules to update the definitions presented in the measure. The fiscal impact of these changes would be absorbed by the agency using existing budgetary resources and therefore is minimal.

The measure requires the Oregon Health Authority (OHA) to convene a work group for the purpose of a comprehensive discussion of the public policy issues involved in limiting the utilization and scope of health care coverage. OHA assumes that nine work group meetings would be possible given the time frame outlined in the bill. Base costs for these meetings, not including mileage reimbursements or staff time would total a minimum of \$1804. While staff time is not expressed as a hard cost, OHA assumes that it would be necessary to reprioritize other tasks in order to provide support to the work group.