

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)

Vote: 5 - 0 - 0

Yeas: Knopp, Kruse, Shields, Steiner Hayward, Monnes Anderson

Nays: 0

Exc.: 0

Prepared By: Sandy Thiele-Cirka, Administrator

Meeting Dates: 2/18, 2/20

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

ISSUES DISCUSSED:

- Advantages for small businesses to self-insure
- Importance of small businesses financial decisions
- Ability to modify and tailor benefits for employees and families
- Effects of proposed amendment
- Insurance Division's role with self-insured plans
- Concerns with small employers plan designs
- Concerns with Insurance Division monitoring all complaints filed associated with self-insurance issues
- 2016 Affordable Care Act employer mandate requirements

EFFECT OF COMMITTEE AMENDMENT: Deletes current prohibition language.

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 employees to 1 – 100 employees beginning in January 2016. Currently, when a group self-insures, 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.