

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 1582 - B**Seventy-Seventh Oregon Legislative Assembly – 2014 Regular Session
Legislative Fiscal Office**Only Impacts on Original or Engrossed
Versions are Considered Official**Prepared by: Kim To
Reviewed by: Linda Ames
Date: 2/27/2014**Measure Description:**

Authorizes Oregon Health Authority, overseen by Oregon Medical Insurance Pool Board, to make expenditures for transitional medical insurance pool program from ending balance of moneys received from premium assessments and from reinsurance program funds.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

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 B-Engrossed:

- 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).
- Allows insurers to continue a transitional health benefit plan until December 31, 2015 or a later date if specified by the Department of Consumer and Business Services (DCBS).

- Allow DCBS to allow carriers to keep transitional health benefit plans in force beyond December 31, 2015 if the federal government issues guidance that allows an extended period for these renewals.
- Repeals the provision allowing a transitional health benefit plan on January 2, 2017

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 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.

Department of Consumer and Business Services (DCBS)

DCBS anticipates the fiscal impact of this bill to be minimal.