

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2560 - 2

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires health benefit plan to cover cost of colonoscopy for insured who is 50 years of age or older and who has positive fecal immunochemical test result.

Government Unit(s) Affected:

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

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 2560 adds colonoscopy, including the removal of polyps during the procedure, if prompted by a positive fecal immunochemical test (FIT) result, to the list of procedures private health insurance plans must cover, with zero cost-share, if the insured is 50 years of age or older. This requirement applies to plans issued or renewed on or after the January 1, 2016 effective date of the bill. The -2 amendment exempts high deductible health plans from the requirements of the bill.

Department of Consumer and Business Services (DCBS)

With passage of this bill, insurers may need to re-file their rates for their 2016 rate plans to DCBS for additional rate review. If this happens DCBS would experience a one-time workload increase. Staff would need to conduct rulemaking, educate internal and external stakeholders about the new requirements, and revise product standards. In addition, staff will be needed to track, investigate and prosecute complaints associate with these new requirements. DCBS anticipates carrying out this work with existing staff and resources.

However, the potential impact of this bill is indeterminate. Under the Affordable Care Act (ACA) and Oregon Insurance Code, preventative colonoscopies, including the removal of polyps during the procedures, are covered with zero cost-share to consumers who are 50 years old and older. However, current law does not require health benefit plans to provide zero cost-share for colonoscopies prompted from a positive fecal immunochemical tests. The ACA requires the state to fund the costs of any new state mandates for health coverage. Additionally, when that new mandate is part of a Qualified Health Plan, the state is required to pay for the resulting increase in cost to the plan that is subsidized by federal tax credits. At this time it cannot be predicted if zero cost share for a colonoscopy prompted by a positive FIT result will be classified as a new state health insurance coverage mandate.

Note that Oregon has not adopted any new mandates; therefore there is no established process in place for covering new state mandates, and Legislative action might be required to clarify the process. It is unknown whether the state would be required to (1) pay the difference in premium between the plan premium with the new mandate versus without the mandate; or 2) the state would be required to actually pay the costs of the benefit provided when accessed by the insured. Furthermore, the source of funding to cover the costs of new mandates has not been identified.

Oregon Health Authority (OHA)

Passage of this bill is anticipated to have minimal fiscal impact on Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB). According to the two Boards' largest carriers, passage of this bill may potentially increase the premium rates of the medical plans OEBB administer by approximately 0.03 percent, and the plans PEBB administer by approximately 0.01 percent.