

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Senate Health Care

REVENUE: No revenue impact**FISCAL: Minimal fiscal impact****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Zena Rockowitz, Administrator**Meeting Dates:** 5/11, 5/18

WHAT THE MEASURE DOES: Directs Oregon Health Authority (OHA) to convene a stakeholder workgroup to provide recommendations on operation of a basic health program. Specifies workgroup membership, when the first meeting shall occur and to develop recommendations to be reported to the interim health care committees no later than December 1, 2015.

ISSUES DISCUSSED:

- Impact to low-income families under Basic Health Plan to gain coverage not typically covered by marketplace plans and reduction in out-of-pocket costs
- Oregonians who are ineligible for Oregon Health Plan but cannot afford commercial coverage
- Redirect federal money that would have gone to subsidizing marketplace coverage
- Economic security, disruptions in care and provider reimbursements
- 2017 renewal of Medicaid waiver

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Section 1331 of the Patient Protection and Affordable Care Act (ACA) gives states the option to operate a Basic Health Program (BHP) to cover certain consumers with incomes up to 200 percent of the federal poverty level (FPL) through state contracting “standard health plans,” rather than Qualified Health Plans (QHPs) offered through the Health Insurance Marketplace. BHP-eligible consumers include citizens and lawfully present immigrant adults between 138 and 200 percent of FPL; and lawfully present immigrants under 138 percent of FPL whose immigration status makes them ineligible for federally matched Medicaid (usually because of lawful residence for less than five years). BHP enrollees must receive coverage no less generous and affordable than what they could have obtained from subsidized QHPs. The federal government provides states with funding equal to 95 percent of the subsidies BHP enrollees would have received in the marketplace, but that funding cannot be used for program administration or operations. The Oregon Legislative Assembly passed House Bill 4109 (2014), which directed the OHA to commission an independent study of the costs and impacts of operating a BHP in Oregon. OHA contracted with Wakely Consulting Group and The Urban Institute to produce the report, which analyzed a BHP’s potential effects on consumers, the Oregon marketplace, state-funded health care costs and other topics.