

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2522**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Kim To
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Date: 4/7/2015**Measure Description:**

Creates Islander Health Coverage Gap Assessment Office in Oregon Health Authority to promote access to health care for island citizens residing in United States under Compact of Free Association.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
General Fund	\$100,000	\$0
Total General Fund	\$100,000	\$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 2522 appropriates \$100,000 General Fund to the Oregon Health Authority (OHA) to establish the Islander Health Coverage Gap Assessment Office OHA to ensure that individuals who legally entered the United States under a Compact of Free Association (COFA) from the Republic of Palau, the Republic of the Marshall Islands, and the Federal States of Micronesia have the same access to health care as United States citizens residing in Oregon. The bill requires OHA to report to the Legislative Assembly prior to implementing or participating in any programs developed by the Office, and at least once each calendar quarter on the progress and the problems encountered in carrying the provisions of this bill. The bill becomes operative January 1, 2016. The bill contains an emergency clause and is effective on passage.

Currently, due to their unique immigration status, adult COFA residents' access to health insurance coverage is limited to emergency services only in Medicaid/Oregon Health Plan (OHP). Some adults may qualify to purchase coverage on the exchange. Children currently meet citizenship/immigration requirements and qualify for full coverage under Medicaid and/or the Children's Health Insurance Program (CHIP).

The bill authorizes OHA to employ persons necessary for the performance of the functions of the Office and appropriates \$100,000 General Fund to OHA to establish the Office. At this time, OHA does not know how many staff will be needed to accomplish this work. OHA anticipates using this funding to offset the cost of planning for the establishment of the Office.

Although the bill requires OHA to report to the Legislative Assembly prior to implementing or participating in any programs developed by the Office, the bill also directs the Office to ensure that individuals who legally entered the United States under COFA have the same access to health care as United States citizens residing in Oregon. OHA provides the following information and rough projections for the potential cost of ensuring (through the Medicaid program) that all COFA individuals have the same access to health care as United States citizens residing in Oregon:

The COFA Alliance Network estimates that there are approximately 9,000 COFA residents in Oregon, and of that number 35% are children under 18 and 65% are adults. There are no current statistics that identify the amount of potential COFA residents that are currently at or under 133% of the Federal Poverty Level (FPL), or would otherwise be eligible for Medicaid, if not for their citizenship/immigration status. The current available data from the COFA Alliance Network indicates that 40% of the COFA population is at or below 200% of the FPL.

The average per member per month (PMPM) rate for the adults under the Affordable Care Act for 2015-17 is \$630.08. Based on this PMPM and the assumption that 40% of the COFA adult population would be eligible for Medicaid, the fiscal impact of coverage is projected to be roughly \$15,923,423 General Fund for the 18 month of the 2015-17 biennium; and \$22,700,432 for the full 24 months of the 2017-19 biennium.

If the assumption is that 30% of the COFA adult population would be eligible for Medicaid, the fiscal impact is projected to be roughly \$11,942,567 General Fund for the 18 month of the 2015-17 biennium; and \$17,025,324 for the full 24 months of the 2017-19 biennium.

If the assumption is that 20% of the COFA adult population would be eligible for Medicaid, the fiscal impact is projected to be roughly \$7,961,712 General Fund for the 18 month of the 2015-17 biennium; and \$11,350,216 for the full 24 months of the 2017-19 biennium.

Except for administrative expenses related to the Gap Assessment Office, OHA cannot receive Federal Funds match for COFA coverage. Therefore, all above projected expenses would be paid with General Funds.

The projections above assume that the adult COFA population would not be eligible for other health insurance coverage (i.e. Medicare). The projections also assume that the adult COFA population's state of health is similar to the current Affordable Care Act (ACA) expansion population. If this population of COFA Medicaid-eligible adults is less healthy than the ACA expansion population, the cost to provide care could increase substantially. OHA notes that COFA residents often suffer high rates of endocrine diseases and cancers due to the atomic bomb testing conducted in the islands during the 1950's.

This bill requires budgetary action to for the appropriation of \$100,000 General Fund to the Oregon Health Authority for the 2015-17 biennium.