

STAFF MEASURE SUMMARY

Senate Committee On Health Care

Fiscal: No Fiscal Impact**Revenue:** No Revenue Impact**Action Date:** 06/01/15**Action:** Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)**Meeting Dates:** 06/01**Vote:**

Yeas: 5 - Knopp, Kruse, Monnes Anderson, Shields, Steiner Hayward

Prepared By: Zena Rockowitz, Committee Administrator

WHAT THE MEASURE DOES:

Aligns Oregon statutes with certain provisions the Affordable Care Act (ACA). Specifies which requirements apply to group plans, individual plans, grandfathered plans and transitional plans. Specifies that coordination of benefit requirements apply to all group plans. Adds provisions allowing exemptions from some requirements of the ACA for transitional health benefit plans and transitional grandfathered large employer health benefit plans. Permits transitional health benefit plans to be renewable on and after January 1, 2016. Allows transitional health benefit plans to not be excluded from guaranteed renewal, if plan is discontinued and meets certain requirements. Requires report to Legislative Assembly in 2018. Allows director of Department of Consumer and Business Services (DCBS) to specify criteria for small employer for purposes of determining eligibility for small or large employer health benefit plan. Requires small employers to be offered all health benefit plans. Removes references to credible coverage; changes language relating to waiting periods and exclusionary periods to conform with federal requirements; clarifies that preexisting conditions can still be imposed on grandfathered individual or transitional health benefit plan, but not group plans. Directs DCBS to adopt rules to determine if employee is eligible employee and employer is small employer and requires method to be consistent with federal requirements for Small Business Health Options Program. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Impact of extension of transitional health benefit plans on risk pool, selection and rates
- Risky and expensive groups in the small group market
- Alignment with Affordable Care Act requirements
- Large group market segment versus small group as it relates to rate setting and guaranteed issuance
- Impact on small businesses

EFFECT OF COMMITTEE AMENDMENT:

Signifies health benefit plans, other than grandfathered health plans, as transitional health benefit plans. Permits transitional health benefit plans to be renewable on and after January 1, 2016. Allows transitional health benefit plans to not be excluded from guaranteed renewal, if plan is discontinued and meets certain requirements. Requires report by Department of Consumer and Business Services (DCBS) to Legislative Assembly in 2018. Requires small employers to be offered all health benefit plans. Restores subscriber contract in definition of health benefit plan. Clarifies that grandfathered health benefit plans are excluded from specific minimum benefit requirements. Restores data and reporting requirements. Clarifies when insurers may not offer plans. Restores eligibility requirements for coverage of hearing aids. Modifies operative dates. Directs DCBS to adopt rules to determine eligibility of employee and small employer and requires method to be consistent with federal requirements for Small Business Health Options Program.

BACKGROUND:

In 2013, House Bill 2240 was enacted which amended Oregon health insurance laws to align with the Affordable Care Act (ACA), and added market reforms and federal requirements to the Insurance Code. Additionally, the bill made several technical and clarifying changes. Legislation is necessary to ensure that Oregon is compliant with the ACA through aligning state laws with federal laws, implementation of new federal guidelines and resolving implementation issues that may have arisen. Under the ACA, beginning in January 2016, a small group employer, for insurance purposes, has 1-100 employees, changing the definition from 1-50 employees.