

## FISCAL IMPACT OF PROPOSED LEGISLATION

78th Oregon Legislative Assembly – 2016 Regular Session  
Legislative Fiscal Office

Measure: HB 4017 - A9

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

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### Measure Description:

Requires Department of Consumer and Business Services in collaboration with Oregon Health Authority and stakeholder advisory group to create blueprint for Basic Health Program.

### 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 4017 with the A9 amendment directs the Department of Consumer and Business Services (DCBS), in collaboration with the Oregon Health Authority (OHA) and in consultation with a stakeholder advisory group to develop and present to the interim committees of the legislature a blueprint for a Basic Health Program (BHP) by December 31, 2016. The bill details the components of the Basic Health Program, including requiring the BHP blueprint to include dental care coverage for adults. The bill requires DCBS and OHA to convene a stakeholder advisory group that includes advocates for low-income individuals and families and consumers of health care. The group must also include representatives of health care provider groups and the insurance industry. The bill directs DCBS to obtain, as needed, updates of the data produced in the feasibility study.

The bill designates DCBS as the sole state agency authorized to request a state innovation waiver under the affordable care act (ACA). The bill also requires DCBS to convene an advisory group to assist in identifying permissible federal provisions that would be waived in order to improve the delivery of quality health care in Oregon. The bill requires DCBS to present its recommendations for submitting a waiver to the legislature, by March 1, 2017, before the department submits the waiver to the federal government.

The bill also allows a registered nurse employed by an education service district or a local public health authority to provide nursing services at a public or private school to accept an order from a physician or osteopathy in another state if the order is related to the care of treatment of a student.

The - A9 amendment adds a sunset date. It also requires DCBS and OHA to report to the legislature by February 1 of each year regarding the percentage of the medical expenses of carriers, coordinated care organizations (CCO), the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB), and how CCO, PEBB and OEBB pay for primary care.

### Department of Consumer and Business Services (DCBS)

DCBS estimates the fiscal impact of this bill to be \$415,000 Other Funds. During the 2015 Basic Health Program stakeholder workgroup established by HB 2934, OHA worked with a consulting group to develop a pro forma BHP actuarial analysis. Building on this work, as well as information provided by the Wakley Consulting Group and the state of Minnesota, DCBS anticipates the following expenses will be incurred in developing the blueprint:

Providing the actuarial support for 1332 waiver analysis, including 10-year projected deficit neutral budget plan.	\$300,000
Updating the BHP analysis conducted by Wakely Consulting Group and Urban Institute in 2014, using 2016 enrollment data, new recommendations from the 2015 Stakeholder workgroup, and updated assumptions reflecting BHP experience in other states and QHP enrollment data.	\$75,000
Providing analysis of the effect on the individual health plan risk pool as a result of BHP creation	\$20,000
Providing the actuarial support for BHP Blueprint preparation, including 10-year projection.	\$20,000
<b>TOTAL OTHER FUNDS</b>	<b>\$415,000</b>

DCBS anticipates that these expenses falls within the scope of the work for the Health Insurance Marketplace, and could be funded using Marketplace assessment dollars.

Oregon Health Authority (OHA)

The fiscal impact of this bill to OHA is anticipated to be minimal. OHA will use existing staff and resources to support the work of DCBS and the stakeholder groups.

This bill requires budgetary action for the identification and allocation of resources.