

**THIS EXPLANATION HAS NOT BEEN
REVIEWED OR APPROVED BY THE
LEGISLATIVE COUNSEL COMMITTEE**

BALLOT MEASURE NO. _____

PROVIDES FUNDS CURRENTLY BUDGETED TO PAY FOR HEALTH CARE FOR LOW-INCOME INDIVIDUALS AND FAMILIES AND TO STABILIZE HEALTH INSURANCE PREMIUMS, USING TEMPORARY ASSESSMENTS ON INSURANCE COMPANIES, SOME HOSPITALS AND OTHER PROVIDERS OF HEALTH INSURANCE OR HEALTH CARE COVERAGE.

Submitted to the Electorate of Oregon by Referendum Petition to be voted on at the Special Election, January 23, 2018.

Explanation

By the Joint Interim Committee on Referendum 301 pursuant to section 60, chapter 749, Oregon Laws 2017.

The 2017 Legislative Assembly enacted House Bill 2391 to address certain health care funding issues. Petitioners have referred five parts of House Bill 2391 to voters for their approval or rejection.

House Bill 2391 provided additional funds to pay some of the state's costs to provide health care to low-income adults, children and families and individuals with disabilities and provided funds to pay the state's costs to stabilize health insurance premiums paid by individuals and families. Some of the additional funds came from temporary assessments on insurance companies, the Public Employees' Benefit Board and managed care organizations, including a 1.5 percent assessment on the gross amount of health insurance premiums collected by insurance companies, a 1.5 percent

1 assessment on payments to managed care organizations and a 1.5 percent assessment
2 on the health care costs and associated administrative expenses paid by the Public
3 Employees' Benefit Board. The remainder of the additional funds came by amending
4 an existing assessment on the net revenue of some hospitals in this state to include an
5 additional 0.7 percent assessment. The additional 0.7 percent assessment went into
6 effect on October 6, 2017. House Bill 2391 made further amendments to the hospital
7 assessment that go into effect on the later of January 1, 2018, or the date that a federal
8 agency approves the additional changes.

9 Ballot Measure XX asks voters to approve or reject the parts of House Bill 2391
10 that create the temporary 1.5 percent assessment on insurance companies, the Public
11 Employees' Benefit Board and managed care organizations. It also asks the voters to
12 approve or reject the House Bill 2391 amendment to the hospital assessment that goes
13 into effect October 6, 2017. Ballot Measure XX does not ask the voters to approve or
14 reject the House Bill 2391 amendments to the hospital assessment that go into effect
15 on the later of January 1, 2018, or the date a federal agency approves changes required
16 by the amendments.

17 If the voters reject Ballot Measure XX, it would eliminate the temporary
18 assessment on insurance companies, the Public Employees' Benefit Board and
19 managed care organizations and delay the collection of the additional 0.7 percent
20 hospital assessment until the later of January 1, 2018, or the date that a federal agency
21 approves the changes required by the amendment. The effect would be to underfund
22 the budgeted costs for providing health care to low-income children, adults and
23 families and individuals with disabilities and to eliminate the funds budgeted to
24 stabilize health insurance premiums paid by individuals and families.