Health Insurance Accountability

The Problem

- Affordable Care Act requires large employers (>50 employees) to provide affordable health insurance for employees over 32 hrs/week

- Initial concern was that employers would cut hours

- Became increasingly clear that a large percentage of adults on OHP were working at least 32 hours/week

- "Affordable" is subjective, and humans are generally rational about insurance choice.

- OHP is good insurance, so we're not looking to get people off OHP

- Businesses need to pay their fair share

Working Oregonians on OHP

50 or more employees,		State	Local	School	Private	Total
ACA Adults/Standard	missing	7	36	103	991	1,137
	under 19	190	2,725	2,366	31,688	36,969
	20 to 31	145	1,017	241	20,879	22,282
	32 to 40	412	1,083	119	22,001	23,615
	> 40	139	575	57	17,882	18,653
Non-ACA Adults	missing	8	19	24	431	482
	under 19	67	852	797	16,968	18,684
	20 to 31	59	299	71	7,980	8,409
	32 to 40	116	269	27	6,410	6,822
	> 40	35	134	9	4,592	4,770
Total 50+ employees		1,178	7,009	3,814	129,822	141,823

Challenges

- 409,000 with no employment record with Department of Employment
  - Not all business types interact with DOE
- OHA now working with Department of Revenue to get better numbers
  - Preliminary data suggest 162,271 with income claimed on Personal Income Tax in 2015
  - 129,001 with wage income
    - Other income sources include pensions, rentals, etc.
    - Many of employer types listed on W-2's suggest they would be engaged with Employment

The Numbers

- ACA Expansion cost –
- 39,883 people x $500/month x 24 months x 6% (average state share for 17-19 biennium) = $28,715,760

- Non-ACA cost
- 11,002 people x $500/month x 24 months x 37% (state share for 17-19 biennium) = $48,848,880

- TOTAL = $77,564,640 State General Fund

The Solution

- Assess a penalty on large employers based on the number of their employees working at least 30 hours/week and on OHP

- Currently penalty pegged at 90% of an average Silver plan on Exchange

- Proceeds go to public health, Medicaid, mental health