

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3428

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Enrolls specified public employees in coordinated care organizations.

Government Unit(s) Affected:

Statewide

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Health Care to the Joint Committee on Ways and Means.

House Bill 3428 modifies statutes related to health benefits for public employees, including:

- Requiring public employers of eligible employees of the state, districts, universities, and Oregon Health Sciences University (OHSU) to provide health benefits through enrollment in a coordinated care organization (CCO) by January 2, 2019.
- Requiring that local governments and other entities have the option to provide coverage through CCOs, and requiring local governments to offer health benefits through CCOs by January 2, 2021.
- Replacing public employee health benefits available to certain employees with the option to enroll in a CCO. These employees include certain legislators, public university employees, and individuals whose home is a Department of Human Services certified foster homes or developmental disability child foster home.
- Allowing the Public Employees Retirement Board to contract with a CCO and other types of carriers to provide health insurance to eligible retired public employees.
- Differentiating between the financial requirements of CCOS that serve only Medicaid members, and authorizes the Oregon Health Authority (OHA) to establish restricted reserve requirements for CCOs that provides health benefits to public employees.
- Transferring the Public Employees Benefits Board (PEBB) from OHA into the Department of Administrative Services (DAS).
- Expanding the Oregon Prescription Drug Program by requiring members enrolled in a CCO and allowing individuals eligible for Medicare Part D prescription drug coverage to participate in the program.
- Limiting the reimbursement to hospitals that provide services under health benefit plans offered under PEBB and the Oregon Educators Benefit Board (OEBB) to 180% of Medicare rates from the effective date of the bill through January 1, 2019.
- Abolishing OEBB and transfers the duties, functions and powers to PEBB.

This bill is anticipated to have a statewide fiscal impact. The amount of this impact is still being determined. A more complete fiscal analysis on the bill will be prepared as the measure is considered in the Joint Committee on Ways and Means.

Further Analysis Required