

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: HB 2392 - 1

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

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Measure Description:

Modifies requirements for health benefit plan coverage of hearing loss treatments.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

Analysis:

House Bill 2392 with the -1 amendment requires a health benefit plan to provide:

- Payment, coverage, or reimbursement for ear molds and replacement ear molds, one box per year of replacement batteries for each hearing aid necessary for diagnostic and treatment services, twice per year for enrollees younger than four years old, and once per year for enrollees 4 or older necessary for bone conduction sound processors, and hearing assistive technology systems for an enrollee who is younger than 19.
- Benefits for hearing aids, bone conduction sound processors, and hearing assistive technology systems for an enrollee who is younger than 19 every 36 months, or for hearing aids more frequently if modifications to an existing hearing aid do not meet the needs of the enrollee.

In addition, the bill requires insurance providers to: (1) ensure enrollees have access to assistance to facilitate the diagnosis of hearing loss in enrollees who are 19 years old or younger; and (2) contract with pediatric audiologists in sufficient numbers and geographic locations. The bill takes effect on January 1, 2018.

Oregon Health Authority (OHA)

Mercer, a consultant for the Public Employees Benefits Board (PEBB), projects that additional coverage requirements for hearing assistive services beyond what is already covered could potentially increase premium rates by 0.05% for PEBB's Statewide Medical Plan resulting in an estimated fiscal impact of \$587,125 Other Funds for the 2017-19 biennium and \$782,833 Other Funds for the 2019-21 biennium.

According to the largest health insurer for the Oregon Educators Benefit Board (OEBB), Moda, additional coverage requirements for hearing assistive services beyond what is already covered may increase premium rates for OEBB medical plans by 0.05% and result in a fiscal impact of \$497,898 Other Funds for the 2017-19 biennium, and \$580,882 Other Funds for the 2019-21 biennium.

Note that any proposed legislation resulting in a fiscal impact on insurance premiums provided by OEBB will impact any educational entity that has mandated or elective coverage under OEBB. This includes school districts, community colleges, education service districts and some charter schools.

Also note that any proposed legislation resulting in a fiscal impact on insurance premiums provided by PEBB will have a General Fund impact on state agencies because about 40% to 45% of PEBB premium resources come from state agencies' flexible benefits payroll General Fund budget.

Department of Consumer and Business Services (DCBS)

Passage of this bill is anticipated to have a minimal impact on DCBS. The agency will use existing staff and resources to update rules.