



HB 2269 - Employer Responsibility Penalties are Not Right for Oregon Business

The Oregon Association of Health Underwriters (OAHU) understand the economics driving the proposal to penalize large companies that have employees on Medicaid. But the specifics of HB 2269 raise significant concerns and is not a step in the right direction for Oregon businesses.

Businesses Don't Know Who is Medicaid Eligible

- The rationale for this new Employer Responsibility Penalty includes that 90,000 Oregonians working for large employers are on the Oregon Health Plan.
- Large employers don't know whether any of their employees are Medicaid eligible because they don't know family size or household income.
- For example, an employee making \$20 an hour in a 30 hour per week job would earn \$31,200 per year (20 x 1560 hours). For a single adult, that is significantly above the Medicaid threshold. But if that employee has a spouse and four children, they would be categorically eligible for Medicaid.

Adding more cost to the ACA Large Employer definitions and rules

- Large employers with more than 50 FTE already have an insurance mandate under the Affordable Care Act. That mandate applies to employees working 30 hours or more per week.
- By law large employers can't offer group health insurance to employees working less than 17.5 hours. Requiring them to pay a penalty for not doing something they are prohibited from doing isn't right.
- HB 2269 applies to part-time employees, down to 8 hours per week, which dramatically expands the insurance mandate to businesses that neither Oregon nor the ACA consider "large business" and creating a huge new **administrative burden** for these companies.

Public Employers should Not be Exempt

- According to Employment Department 2017 statistics, there are 2,975 public employees on Medicaid working 30 hours or more for large public employers in Oregon (2,385 ACA-expansion adults and 590 non-ACA adults).
- Based on OHA's chart showing work sectors currently employing OHP recipients, that would make "public employers" the 6th largest category – larger than agriculture and forestry, larger than wholesale trade, larger than transportation and warehousing, finance and insurance, construction, arts and entertainment, real estate and so on.
- If penalizing employers that shift health care insurance costs onto taxpayers is the right policy, it's the right policy for every employer, private or public.