

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office

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|---------------|---------------------------|
| Bill Number: | SB 250 - 2 |
| Revenue Area: | Insurance Tax/Health Care |
| Economist: | Dae Baek |
| Date: | 4/7/2019 |

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

Measure Description:

Aligns key provisions of the Affordable Care Act with the Oregon law. Prohibits health benefit plans from discriminating based on actual or perceived race, color, national origin, sex, sexual orientation, gender identity, age or disability. Prohibits insurance carriers from applying preexisting condition exclusions or a waiting period, on individuals applying for a health benefit plan. Exempts grandfathered plans from such prohibition. Allows the Oregon Department of Consumer and Business Services (DCBS) to assess fees on exempt health benefit plans for the purpose of mitigating inequity in the health insurance market. Applies to health insurance policies issued or renewed on or after January 1, 2020.

Revenue Impact: Indeterminate

Impact Explanation:

The bill allows the DCBS to assess a fee on an exempt insurer to mitigate potential inequity in the insurance market. The fees are dedicated to the General Fund (GF). The DCBS has yet to investigate if inequity exists. Furthermore, the bill does not prescribe a fee or any fee assessing mechanism even if the DCBS identifies inequity. It is therefore not feasible to estimate how much revenue, if at all, will be added to the GF.

When a fee is assessed on a non-Oregon domicile insurer, the insurer is subject to less retaliatory insurance tax in Oregon that flows into the GF. Due to lack of data on fees from the change in this bill, it is not possible to estimate the negative impact on the GF.

Consequently, the impact on the GF is indeterminate.

Creates, Extends, or Expands Tax Expenditure: Yes No