

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 740 - A

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

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Measure Description:

Requires health benefit plans that cover radiation therapy for cancer to cover proton beam therapy on basis no less favorable than other covered benefits.

Government Unit(s) Affected:

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

Summary of Fiscal Impact:

Costs related to the measure are indeterminate, at this time - See explanatory analysis.

Analysis:

SB 740 requires health benefit plans that cover radiation therapy to treat cancer to also provide coverage for proton beam therapy at the same benefit level.

Oregon Health Authority (OHA)

The fiscal impact of this bill on the Oregon Health Plan (OHP) is indeterminate, at this time, because OHA cannot predict if passage of this bill will result in proton beam treatment being covered more widely than currently allowed under OHP for adults eligible as a result of the Medicaid expansion provided by the Affordable Care Act (ACA). Federal law requires a state providing eligibility for ACA adults to provide benchmark coverage. Under Oregon's Medicaid State Plan, OHP coverage for ACA adults is linked to a commercial insurance benchmark. If this bill results in a required change to ACA adult coverage, OHP benefits for all other full-benefit Medicaid populations and the Children's Health Insurance Program (CHIP) would also need to be changed to align the Medicaid/CHIP State Plans. The state could contemplate different benefit packages between these populations but would need to seek federal approval to do so.

According to the largest health insurer for the Oregon Educators Benefit Board (OEBB), Moda, coverage requirements for proton beam therapy could potentially increase premium rates for OEBB medical plans by 2% for the plans they administer. Assuming this applies to all of OEBB's health plans, passage of this bill could result in a fiscal impact of \$10,992,051 Other Funds for the 2019-21 biennium, and \$29,312,136 Other Funds for the 2021-23 biennium. Moda believes that the "no less favorable" requirement for proton beam therapy treatment will eliminate their ability to prior authorize treatment based on clinical effectiveness in relation to other radiation treatments. 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.

Passage of this bill is anticipated to have no impact on the Public Employees Benefits Board (PEBB). Providence Health, PEBB's largest health plan, reports that the "no less favorable" requirement for proton beam therapy treatment will not change PEBB's current procedure for coverage of proton beam therapy treatment for cancer.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this measure on DCBS is indeterminate. The expanded coverage required by this measure may be considered a new mandate under the Affordable Care Act (ACA). This Act requires states to offset the cost of mandated benefits enacted after December 2011 for plans issued through the health insurance marketplace. The federal guidance does not clarify whether offsets must be paid out of the General Fund or from other state funds such as marketplace assessment funds.