

HB 3075 STAFF MEASURE SUMMARY

House Committee On Health Care

Action Date: 04/02/19

Action: Without recommendation as to passage, be referred to Rules, and then to Ways and Means by prior reference.

Vote: 10-0-1-0

Yeas: 10 - Alonso Leon, Boles, Drazan, Greenlick, Hayden, Mitchell, Noble, Nosse, Prusak, Salinas

Exc: 1 - Keny-Guyer

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/19, 3/26, 4/2

WHAT THE MEASURE DOES:

Permits an eligible public employee enrolled in health coverage through Public Employees' Benefit Board (PEBB) or Oregon Educators Benefit Board (OEBB) with a spouse or family member also enrolled in a health plan offered by PEBB or OEBB to receive double coverage. Removes provision requiring PEBB and OEBB to use tools designed to limit the growth in per-member expenditures for health services or annual increases in premiums to no more than 3.4 percent per year. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Effect of Senate Bill 1067 (2017) on school districts, their employees, recruitment, and retention of qualified teachers, particularly in rural communities
- Financial projections in 2017 of SB 1067; recent analysis of the impact of SB 1067 by the PEBB Board
- Annual increases in PEBB and OEBB offered premiums; employer and employee costs
- Double coverage and opt-out provisions, restrictions, and financial cost to enrollees, specifically in accessing specialty services for dependents
- Financial impact to carriers that serve OEBB and PEBB with (and without) double coverage and opt-out provisions
- Opt-out provision as a financial incentive for eligible members

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Legislative Fiscal Office (LFO), a legislative work group was convened during the 2017 session to examine potential cost reduction and prevention options to help reduce cost increases in future budgets. The work group was also directed to institute prudent financial practices and principles for state government. The result of the work group was Senate Bill 1067 (2017), which enacted several measures affecting the Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB). Among other things, SB 1067 required PEBB and OEBB to adopt methodologies to limit growth in premium or per-member health plan costs to 3.4 percent per year and eliminated "double coverage" for PEBB and OEBB employees who have family members also employed by a PEBB or OEBB employer beginning with plan years after October 1, 2019 (OEBB) and January 1, 2020 (PEBB). SB 1067 also discontinued the ability for a PEBB or OEBB employee with double coverage to decline double coverage or "opt out" and thus receive payments. These changes were estimated to reduce future health care costs in PEBB and OEBB and result in General Fund savings in the 2017-19 and 2019-21 biennia (LFO 2017).

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House Bill 3075 restores the ability for employees and their family members and dependents in state-sponsored health plans, if eligible, to receive "double insurance coverage" or "opt-out" financial incentives.