

HB 3262 STAFF MEASURE SUMMARY

House Committee On Health Care

Action Date: 04/04/19

Action: Without recommendation as to passage, refer to Revenue by prior reference.

Vote: 6-4-1-0

Yeas: 6 - Alonso Leon, Greenlick, Mitchell, Nosse, Prusak, Salinas

Nays: 4 - Boles, Drazan, Hayden, Noble

Exc: 1 - Keny-Guyer

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 3/28, 4/2, 4/4

WHAT THE MEASURE DOES:

Defines public assistance programs. Defines subsidized business as a business that employs at least 100 full-time or part-time employees in Oregon through a subsidiary or franchise, and is primarily engaged in the retail distribution, food, hospitality, or call center industry. Defines subsidized employee as an employee of a business who receives public assistance, or who receives public assistance on behalf of a minor. Creates the Taxpayer Reimbursement Fund in the State Treasury. Establishes an assessment to be imposed on a subsidized business for each tax year a business employs a subsidized employee. Specifies assessment amount is to equal the amount the state paid in public assistance to subsidized employees. Authorizes the Department of Revenue (DOR) to administer, collect, and enforce the assessment including subpoena authority and prosecution. Specifies interest and penalties for late payment or failure to pay assessment. Specifies money collected through the assessment are to be deposited in the Oregon Rainy Day Fund for state expenditures on public assistance programs. Directs DOR to allocate a portion of the assessment funds to Department of Human Services (DHS), Oregon Health Authority (OHA), and the Employment Department (ED) to reimburse the agencies the costs of managing each agency's responsibilities as specified in the measure. Authorizes OHA, DHS, ED, and DOR to establish interagency agreements to implement and carry out provisions of the measure. Specifies confidentiality requirements for data sharing among agencies. Prohibits employers from refusing to hire a person who receives public assistance. Applies to tax years beginning on or after January 1, 2022.

ISSUES DISCUSSED:

- Revenue raising considerations; approval by a three-fifths majority
- Employer-sponsored health plans, individual and family-based coverage
- Part-time employees, independent contractors, or individuals employed by multi-employers
- Individuals employed full-time, enrolled in the Oregon Health Plan (OHP)
- Funding for Medicaid
- Public employees enrolled in OHP
- Employer assessment and Health Access Fund; information provided to and by an employer to the Department of Revenue
- Privacy issues; potential provisions for individuals to opt-out of information sharing requirements
- Increasing taxes among state employers

EFFECT OF AMENDMENT:

No amendment.

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BACKGROUND:

The Oregon Employment Department's Oregon Benefits Survey (2018) asks private employers from all broad industries, class sizes, and regions of the state about the benefits offered to their full-time and part-time employees. The 2018 survey results indicate nine out of 10 employers with at least 50 payroll employees in Oregon (any combination of full- and part-time) offered health benefits to some or all of their employees. By comparison, slightly less than half (45 percent) of employers with less than 50 employees offered any health benefits. Employee medical coverage was among the most common of all employer-provided benefits, with six out of 10 private employers extending the option. That share differed widely based on employer size class and an employee's part-time or full-time status. Across Oregon's economy, 43 percent of firms with less than 50 employees offered medical coverage to part-time workers, while 85 percent of the largest firms had this offering for full-time employees. Employers with 50 or more payroll employees account for less than 5 percent of all firms in Oregon. Yet, employment at these large firms totaled six out of 10 jobs in the state.

House Bill 3262 creates an assessment on large businesses with employees who receive or have family members that receives public assistance.