

HB 2012 A STAFF MEASURE SUMMARY

House Committee On Health Care

Action Date: 04/09/19

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 11-0-0-0

Yeas: 11 - Alonso Leon, Boles, Drazan, Greenlick, Hayden, Keny-Guyer, Mitchell, Noble, Nosse, Prusak, Salinas

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/14, 4/9

WHAT THE MEASURE DOES:

Directs the Oregon Health Authority (OHA) to develop a plan for a Medicaid Buy-In program or a public option to provide an affordable health care option to the six percent of Oregon residents who do not have access to health care. Specifies plans must: have no net cost to the state; provide comprehensive benefits; have minimal enrollee cost sharing, deductibles, or copayments; assess impact to existing insurance market; encourage use of federal subsidies; maximize receipt of federal funds, and utilize coordinate care organizations. OHA shall report the plan to the Legislative Assembly no later than May 1, 2020. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Affordability of plans, enrollee premiums, and consumer out-of-pocket costs
- Program eligibility; risk profile for eligible populations
- Provider reimbursement rates, health professional participation in proposed plans, network adequacy
- Increased access to health care in Oregon through recent coverage expansions
- Risk pools; impact to individual and group markets, employer-sponsored coverage
- Individual responsibility provision and potential change in the uninsured rate

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Recently, policy proposals have been introduced at both the federal and state levels that would permit individuals above Medicaid eligibility levels to “buy in” to Medicaid or leverage the state Medicaid program to strengthen coverage across the individual commercial market and Medicaid. States are exploring the concept of a Medicaid buy-in program (or public option) to establish a new coverage program targeting lower-income individuals and families not eligible for Medicaid or federal subsidies through the Marketplace.

A state has flexibility in designing a Medicaid buy-in proposal, making policy decisions across a range of key program features such as provider networks, reimbursement rates and the role of public and private plans, to create a program that resembles a Medicaid benefit, a marketplace product, or a hybrid of the two. States may choose to pursue federal waivers (e.g., Section 1332). As of 2019, seven states have introduced legislation to create Medicaid buy-in proposals seeking to address marketplace access and competition, insurance premium and cost-sharing affordability, and alignment across Medicaid and individual insurance market coverage.

In 2018, the Oregon House Committee on Health Care created the Universal Access to Care (UAC) Work Group.

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The group explored the implications of establishing a Medicaid-like buy-in program as an affordable insurance product offered statewide, outside the individual Affordable Care Act (ACA) market (“off the Exchange”), leveraging Oregon’s existing Medicaid infrastructure, providing a comparable level of benefits as covered in the Oregon Health Plan (OHP), and utilizing existing provider networks managed by coordinated care organizations (CCOs) and affiliated partners. The proposed coverage program was to target lower-income individuals and families not eligible for Medicaid or federal subsidies through the Marketplace with monthly premiums paid entirely by enrollees.

House Bill 2012-A directs OHA to develop a plan for a Medicaid buy-in or public option insurance program in Oregon.