

House Bill 2009

Sponsored by Representatives SALINAS, NOSSE, Senator MONNES ANDERSON; Representatives GREENLICK, MARSH, SMITH WARNER, WILLIAMS, Senator FAGAN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows individuals who do not qualify for medical assistance or premium tax credits under Affordable Care Act to enroll in coordinated care organizations by paying premiums that cover actuarial value of health services. Requires Oregon Health Authority to administer program.

Imposes penalty on full-time residents of this state who are not enrolled in minimum essential coverage for nine months of each tax year. Prescribes procedures.

A BILL FOR AN ACT

1
2 Relating to health care; creating new provisions; amending ORS 413.101; and providing for revenue
3 raising that requires approval by a three-fifths majority.

4 **Be It Enacted by the People of the State of Oregon:**

MEDICAID BUY-IN PROGRAM

SECTION 1. (1) As used in this section:

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9 (a) "Coordinated care organization" has the meaning given that term in ORS 414.025.

10 (b) "Health services" has the meaning given that term in ORS 414.025.

11 (2) **A coordinated care organization shall provide health services to an individual who is**
12 **determined by the Oregon Health Authority to meet the criteria in subsection (3) of this**
13 **section.**

14 (3) **An individual is eligible to enroll in a coordinated care organization if the individual:**

15 (a) **Is not described in ORS 414.706;**

16 (b) **Has income, as determined by the authority by rule, above 138 percent of the federal**
17 **poverty guidelines and:**

18 (A) **At or below 400 percent of the federal poverty guidelines; or**

19 (B) **Above 400 percent of the federal poverty guidelines and below 600 percent of the**
20 **federal poverty guidelines and the individual is offered employer-sponsored health insurance**
21 **but is required to pay the full cost of premiums for the employer-sponsored health insurance;**

22 (c) **Is not eligible for a premium tax credit under section 36B of the Internal Revenue**
23 **Code; and**

24 (d) **Pays to the authority a premium prescribed by the authority by rule.**

25 (4) **The authority shall, in consultation with the Department of Consumer and Business**
26 **Services, adopt rules necessary to carry out the provisions of this section, including but not**
27 **limited to rules for:**

28 (a) **Establishing streamlined application procedures and processes; and**

29 (b) **Adopting a schedule of premiums for individual and family enrollment in each coor-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **dinated care organization that is intended to cover the actuarial value of the health services**
 2 **and is calculated based on the costs used by the authority in establishing the global budget**
 3 **for each coordinated care organization.**

4 **(5) Premiums paid under this section shall be deposited in the Oregon Health Authority**
 5 **Fund established under ORS 413.101 and may be used for the purpose of reimbursing coordi-**
 6 **nated care organizations for the cost of health services provided to individuals enrolled in**
 7 **coordinated care organizations under this section.**

8 **SECTION 2.** ORS 413.101 is amended to read:

9 413.101. The Oregon Health Authority Fund is established in the State Treasury, separate and
 10 distinct from the General Fund. Interest earned by the Oregon Health Authority Fund shall be
 11 credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Health Au-
 12 thority for carrying out the duties, functions and powers of the authority [*under ORS 413.032*] as
 13 **prescribed by law.**

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 15 **STATE SHARED RESPONSIBILITY PENALTY**

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 17 **SECTION 3.** Sections 4 and 5 of this 2019 Act are added to and made a part of ORS
 18 **chapter 316.**

19 **SECTION 4.** (1) As used in this section and section 5 of this 2019 Act, “minimum essential
 20 **coverage” has the meaning given that term in section 5000A(f) of the Internal Revenue Code.**

21 **(2) Except as provided in subsection (3) of this section, the Oregon Health Authority shall**
 22 **impose a penalty, as described in section 6 of this 2019 Act, on a full-time resident of this**
 23 **state who is required to file an income tax return under ORS 316.362 and who is not enrolled**
 24 **in minimum essential coverage for at least nine months in a tax year. The penalty is an**
 25 **amount equal to nine percent of the individual’s taxable income as reported on the**
 26 **individual’s income tax return.**

27 **(3) An individual is not subject to the penalty under subsection (2) of this section if:**

28 **(a) The out-of-pocket costs for the minimum essential coverage available to the individual**
 29 **exceed nine percent of the taxable income reported on the individual’s income tax return;**

30 **(b) The out-of-pocket costs for the minimum essential coverage available to the individual**
 31 **and the individual’s spouse and dependents, if applicable, exceed nine percent of the taxable**
 32 **income reported on the individual’s income tax return;**

33 **(c) The individual was not a resident in this state for at least 11 months of the tax year;**
 34 **or**

35 **(d) The individual had good cause for failing to enroll in minimum essential coverage as**
 36 **prescribed by the authority by rule.**

37 **SECTION 5.** (1) An individual shall file with the individual’s income tax return a form
 38 **prescribed by the Department of Revenue to report, under penalty of perjury, whether the**
 39 **individual was enrolled in minimum essential coverage for at least nine months during the**
 40 **tax year. The form shall require an individual who reports that the individual was not en-**
 41 **rolled in minimum essential coverage to provide a name and address to be forwarded to the**
 42 **Oregon Health Authority.**

43 **(2) For any individual who states that the individual was not enrolled in minimum es-**
 44 **sential coverage for at least nine months during the tax year, the Department of Revenue**
 45 **shall report to the Oregon Health Authority the information provided on the form described**

1 in subsection (1) of this section.

2 **SECTION 6.** (1) As used in this section, “minimum essential coverage” has the meaning
3 given that term in section 5000A(f) of the Internal Revenue Code.

4 (2) The Oregon Health Authority shall mail a notice, in the form prescribed by ORS
5 183.415, to any individual reported under section 5 (2) of this 2019 Act stating:

6 (a) That the individual is subject to a penalty for failing to be enrolled in minimum es-
7 sential coverage as required by section 4 of this 2019 Act; and

8 (b) That the penalty will be \$5,000 unless that individual can show that the individual is
9 exempt from the penalty, as provided in section 4 (3) of this 2019 Act, or that the penalty
10 should be less, based on the individual’s income.

11 (3) The procedure for imposing the penalty shall be as provided in ORS 183.745.

12 (4) Penalties collected under this section shall be deposited to the Oregon Health Au-
13 thority Fund established in ORS 413.101 and may be used by the authority to conduct out-
14 reach to and premium assistance for individuals enrolling in the coordinated care
15 organizations under section 1 of this 2019 Act.

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17 **APPLICABILITY**

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19 **SECTION 7.** Sections 4 and 5 of this 2019 Act apply to tax years beginning on or after
20 January 1, 2020.

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22 **CAPTIONS**

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24 **SECTION 8.** The unit captions used in this 2019 Act are provided only for the convenience
25 of the reader and do not become part of the statutory law of this state or express any leg-
26 islative intent in the enactment of this 2019 Act.
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