

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4073 - 7

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Limits cost-sharing for health benefit plan coverage of insulin prescribed for treatment of diabetes.

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:

HB 4073 with the -7 amendment establishes a cap on the amount a consumer would pay out of pocket for insulin. The bill stipulates that a health benefit plan offered in Oregon may not require an enrollee in the plan to incur cost-sharing or other out-of-pocket expenses that total more than \$75 for a 30-day supply of insulin prescribed for the treatment of diabetes or \$225 for a 90-day supply.

Oregon Educators Benefit Board (OEBB)

The fiscal impact of this bill on OEBB is currently indeterminate pending additional actuarial review of the potential impact on premium costs for OEBB health care benefit plans. OEBB's consultant (Willis Towers Watson) determined that the \$75 cap would have minimal fiscal impact on OEBB, because the reduction of the insulin cost sharing cap from \$100 to \$75 would have a negligible impact on premium rates (0.05%) for OEBB's largest health plan. However, OEBB will need more time to determine the fiscal impact on the \$225 cap. The Legislative Fiscal Office will issue a revised fiscal impact statement once this work is completed.

Public Employees' Benefit Board (PEBB)

This bill is anticipated to have no impact on PEBB through higher health premiums due to increased plan insulin cost, because insulin and insulin supplies have no cost sharing on PEBB health plans.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill on DCBS is minimal. The bill requires DCBS to annually adjust the \$75.00 cap using the Consumer Price Index for All Urban Consumers, West Region as published by U.S. Department of Labor. DCBS will absorb this work with current staff and resources.