

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

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Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

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Laurie Byerly, Interim Legislative Fiscal Officer  
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Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

**To:** Capital Construction Subcommittee

**From:** Tom MacDonald, Legislative Fiscal Office

**Date:** June 21, 2021

**Subject:** SB 800 – Relating to health care  
Work Session Recommendations

SB 800, with the -A7 amendment, establishes the Oregon Essential Workforce Health Care Program in the Oregon Health Authority (OHA) for providing supplemental health care benefits to employees of eligible licensed long-term care facilities, residential facilities, and in-home care agencies. Eligible employers must be participating providers in the state's medical assistance program and meet other requirements prescribed by OHA in rule. The supplemental payments are subject to federal approval from the Centers for Medicare and Medicaid Services (CMS).

The measure also adds an association or group of "eligible employers" that administers a self-insured program (excluding disability insurance) to the list of employers who are not subject to the Insurance Code upon meeting certain conditions. These conditions require: at least 500 people to have coverage under the program; the program to provide all coverage and benefits required of group health insurance policies; and the program and enrollees meet certain documentation and notification standards. The program must also have sufficient personnel or contract with a third-party administrator for services.

The measure declares an emergency and takes effect on passage, but the Oregon Essential Workforce Health Care Program is not operative until OHA receives approval from CMS to make the supplemental payments.

At this time, the number of participating employers and employees, the level of health care coverage the program is expected to provide, and level of cost-sharing expected of employers is unknown. It is also not clear if federal funding will be available. OHA will need to submit a state plan amendment to the Centers for Medicare and Medicaid Services in order to receive federal match, which is a process expected to take at least six months. OHA is required to notify Legislative Counsel upon approval or denial of this request.

Apart from the health care benefit payments, OHA's estimated administrative expenses include two Operations and Program Analyst 3 positions to administer the program, updates to the state's Medicaid Management Information System, and contractual

support. In anticipation of program expenses in 2021-23, including OHA’s administrative costs, a \$30 million special purpose appropriation to the Emergency Board is planned for the end of session budget reconciliation bill.

**Recommended Changes**

LFO recommends adoption of the - A7 amendment.

**Final Subcommittee Action**

LFO recommends that SB 800, as amended by the - A7 amendment, to be moved to the Ways and Means Full Committee.

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_