

## HB 2010 A STAFF MEASURE SUMMARY

### House Committee On Health Care

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**Action Date:** 04/13/21

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

**Vote:** 9-0-1-0

**Yeas:** 9 - Alonso Leon, Campos, Dexter, Hayden, Moore-Green, Noble, Prusak, Salinas, Schouten

**Exc:** 1 - Drazan

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Oliver Droppers, LPRO Analyst

**Meeting Dates:** 4/1, 4/13

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#### WHAT THE MEASURE DOES:

Directs Oregon Health Authority (OHA) to collaborate with Department of Consumer and Business Services (DCBS) to create an implementation plan for a public health plan to be available to individuals and families in the individual market and submit plan no later January 1, 2022. Directs OHA and DCBS to analyze: (1) potential federal waivers to increase affordability, (2) need for new coverage options, (3) potential impact of a public health plan on market stability; (4) impact of American Rescue Plan Act of 2021 and how this and other federal changes may improve access and affordability, (5) role of a state-based technology platform, (6) adverse consequences based on design elements, (7) additional subsidies to help with affordability, and (8) strategies developed by Task Force on Universal Health Coverage. Directs OHA and DCBS to develop recommendations; specifies areas for recommendations. Directs OHA and DCBS to rely on previous studies. Allows OHA and DCBS to contract with experts, if necessary. Declares emergency, effective on passage.

#### ISSUES DISCUSSED:

- Status of the Affordable Care Act in Oregon
- Potential impact of a public option on Oregon's insurance market, rural providers, and hospitals
- Health equity, affordability, federal subsidies, network adequacy, and market stability
- Coverage affordability for small employers
- Stakeholder engagement
- Provider reimbursement and value-based payment models
- House Bill 3381 (2021)

#### 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

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choose to pursue federal waivers (e.g., Section 1332 Innovation waiver). A number of states have introduced legislation to create public option proposals seeking to address Marketplace access and competition, insurance premium and cost-sharing affordability, and alignment across Medicaid and the individual insurance market coverage. Washington is the first state to enact legislation and implement a public option (Cascade Care).

In 2019, Senate Bill 770 passed directing the Oregon Health Authority to engage in an analysis to help policymakers develop a public option to improve affordability and increase access to health care. In December 2020, the Oregon Health Authority released a report prepared by Manatt Health that evaluated three models and offered a list of considerations to create a public option: (1) coordinated care organization-led, (2) carrier-led, and (3) state-led partnership with a third-party administrator.

House Bill 2010 A directs OHA to collaborate with DCBS to create an implementation plan for a public health plan to offer more affordable coverage to individuals and small businesses.