

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: HB 4006

81st Oregon Legislative Assembly – 2022 Regular Session  
Legislative Fiscal Office*Only Impacts on Original or Engrossed  
Versions are Considered Official*Prepared by: Haylee Morse-Miller  
Reviewed by: Tom MacDonald, Ben Ruef  
Date: February 10, 2022**Measure Description:**

Requires individual and group health insurance policies to reimburse services provided by naturopathic physicians within scope of their practice if services are reimbursed when provided by licensed physicians.

**Government Unit(s) Affected:**

Department of Consumer and Business Services (DCBS), Oregon Health Authority (OHA)

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	2021-23 Biennium	2023-25 Biennium
Other Funds	963,678	3,854,711
<b>Total Funds</b>	<b>\$963,678</b>	<b>\$3,854,711</b>
Positions	0	0
FTE	0.00	0.00

**Analysis:**

HB 4006 requires an individual or group health benefit plan that reimburses the cost of a service provided by a physician to reimburse the cost of the same service provided by a naturopathic physician, if that service is within their scope of practice. The measure also requires these plans to reimburse a naturopathic physician who is in an independent practice in the same amount and using the same payment methodology as the reimbursement paid to a physician providing the service in the same setting and geographic area. The measure exempts these reimbursement provisions from ORS 743A.001, which provides for an automatic repeal of certain health insurance statutes after six years. This measure has no effective date and is assumed to take effect on January 1, 2023.

Changes to the reimbursement requirements for health benefit plans could impact the premiums for the employee health plans offered by the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB), which are housed in OHA. Based on input provided by OEBB's and PEBB's actuaries, OEBB would see an increase in premiums of \$408,220 in the 2021-23 biennium, and \$1.6 million in the 2023-25 biennium. PEBB would see an estimated increase of \$555,458 in the 2021-23 biennium, and \$2.2 million in the 2023-25 biennium. This is equivalent to a 0.1% increase in premiums across all carriers.

While premium costs for both Boards are budgeted as Other Funds, the corresponding revenue comes from the premiums paid by state agencies and universities for PEBB's plans, and the K-12 school system for OEBB's plans. The cost growth for these benefits is statutorily capped at 3.4% per member per year.

There is no fiscal impact for the Department of Consumer and Business Services.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.