

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 1041 - 1**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Prohibits cost-sharing on certain health insurance coverage of supplemental and diagnostic breast examinations.

Government Unit(s) Affected:

Oregon Health Authority, Department of Consumer and Business Services

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Oregon Health Authority		
Other Funds		
Special Payments	\$1,445,262	\$2,703,642
Total Fiscal Impact	\$1,445,262	\$2,703,642
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

Analysis:

SB 1041-1 prohibits group health benefit plans and individual health benefit plans in Oregon from charging a deductible, coinsurance, copayment or other out of pocket expenses for medically necessary supplemental or diagnostic breast exams. This prohibition does not apply to health savings accounts. The measure applies to all policies or certificates of insurance issued, renewed or extended after January 1, 2024.

Changing the services included in the list of required services that health benefit plans must cover will 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 the Oregon Health Authority (OHA). While 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. Additionally, state agencies support PEBB’s premium payments from the various state and federal revenue streams available in their budgets, with General Fund comprising nearly 45% of overall state agency premium payments.

Based on input provided by PEBB’s and OEBB’s actuaries, OHA estimates that premiums for plans offered by both Boards will increase by an average of 0.9% under the measure. For PEBB, this increase would result in additional costs of \$862,793 in 2023-25, and \$1,150,391 in 2025-27. For OEBB, the premium increase would result in additional costs of \$582,469 in 2023-25, and \$1,553,251 in 2025-27. This potential increase in premiums would challenge PEBB’s and OEBB’s ability to meet the statutorily required 3.4% annual growth cap on health care premiums and expenditures.