

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 1046 - A <REVISED>**

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:

Expands network adequacy requirements to health benefit plans offered to large employers and modifies requirements.

Government Unit(s) Affected:

Department of Consumer and Business Services, Oregon Health Authority

Summary of Fiscal Impact:

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

Analysis:

SB 1046-A replaces “insurer” with “carrier offering an individual or group health benefit plan” or “carrier.” The measure adds a requirement to state law governing individual and group health benefit plans, including:

- Carriers must contract with or employ a network of providers to ensure all covered services are provided in a culturally competent manner and are accessible to enrollees for initial and follow up appointments, including substance use disorder, mental health, and reproductive health care and treatment.
- Ensure health benefit plans offered outside of a health insurance exchange contract or employ a network of providers to cover health professional shortage areas or low-income zip codes as defined by Department of Consumer and Business Services (DCBS).
- DCBS is required to conduct an annual evaluation of network providers to determine compliance with requirements in the measure. DCBS is granted rulemaking authority and makes recommendations for rules.

The measure permits DCBS to prescribe by rule exceptions to the prohibition of telemedicine health care providers to meet statutory requirements.

<REVISED TO INCLUDE ADDITIONAL INFORMATION>

The fiscal impact to the Oregon Health Authority is indeterminate. The fiscal impact of the measure will depend on the network adequacy standards and requirement rules developed by DCBS. Despite these variables, the actuarial consultant for the Public Employees’ Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) indicated the measure could increase medical and prescription rates between 0.4%-0.9%. If rates were to increase by 0.5% the fiscal impact to PEBB for the 2023-25 biennium would be estimated to be \$8.6 million Other Funds; for OEBB, the fiscal impact would be \$6.7 million Other Funds. If rates were increased by 0.5% for the 2025-27 biennium, the fiscal impact would be \$11.5 million Other Funds for PEBB and \$8.6 million Other Funds for OEBB.

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.

The measure has a minimal fiscal impact to the Department of Consumer and Business Service.