

## FISCAL IMPACT OF PROPOSED LEGISLATION

78th Oregon Legislative Assembly – 2016 Regular Session  
Legislative Fiscal Office

Measure: HB 4017 - 5

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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### **Measure Description:**

Requires Department of Consumer and Business Services in collaboration with Oregon Health Authority and stakeholder advisory group to create blueprint for Basic Health Program.

### **Government Unit(s) Affected:**

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

### **Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

### **Analysis:**

House Bill 4017 with the - 5 amendment directs the Department of Consumer and Business Services (DCBS), in collaboration with the Oregon Health Authority (OHA) and in consultation with a stakeholder advisory group to develop and present to the interim committees of the legislature related to health a blueprint for a Basic Health Program by December 31, 2016. The bill required DCBS and OHA to also report the additional cost predicted to be incurred by the state to cover dental care for adults in the Basic Health Program. The bill details the components of the Basic Health Program. The bill requires the DCBS and OHA to convene a stakeholder advisory group that includes advocates for low-income individuals and families and consumer of health care. The group must also include representatives of health care provider groups and the insurance industry.

The bill designates DCBS as the sole state agency authorized to request a state innovation waiver under the affordable care act (ACA). The bill also requires DCBS to convene an advisory group to assist in identifying permissible federal provisions that would be waived in order to improve the delivery of quality health care in Oregon. The bill requires DCBS to present its recommendations for submitting a waiver to the legislature, by March 1, 2017, before the department submits the waiver to the federal government.

The - 5 amendment removes the definition for the terms affordable, minimum essential coverage, and minimum value. This amendment also directs DCBS to obtain, as needed, updates of the data produced in the feasibility study. The - 5 amendment does not change the fiscal impact of this bill.

### Department of Consumer and Business Services (DCBS)

During the 2015 Basic Health Program (BHP) stakeholder workgroup established by HB 2934, OHA worked with a consulting group to develop a pro forma BHP actuarial analysis. Building on this work, and in order to comply with the provisions of this bill, DCBS will need to procure additional actuarial resources. Based on the work of this 2015 BHP stakeholder group DCBS estimates that the actuarial contract would cost in the range of \$395,000 to \$595,000. Neither the bill nor DCBS identified a fund source for these costs. This amount would fund the following work:

- Updating the 2014 BHP analysis with 2016 Qualified Health Plan (QHP) enrollment data, new recommendations from the 2015 BHP Stakeholder workgroup, and updated assumptions reflecting BHP experience in other states and QHP enrollment data.
- Analysis of the effect on the individual health plan risk pool as a result of BHP creation.

- Actuarial support for BHP Blueprint preparation, including 10-year projection.
- Actuarial support for 1332 waiver analysis, including 10-year projected deficit-neutral budget plan.

Oregon Health Authority (OHA)

The fiscal impact of this bill to OHA is anticipated to be minimal. OHA will use existing staff and resources to support the work of DCBS and the stakeholder groups.

This bill requires budgetary action for the identification and allocation of resources.