

**THIS EXPLANATION HAS NOT BEEN  
REVIEWED OR APPROVED BY THE  
LEGISLATIVE COUNSEL COMMITTEE.**

**BALLOT MEASURE NO. \_\_\_\_\_**

**PROVIDES FUNDS CURRENTLY BUDGETED TO PAY FOR HEALTH CARE FOR LOW-  
INCOME INDIVIDUALS AND FAMILIES AND TO STABILIZE HEALTH INSURANCE  
PREMIUMS, USING TEMPORARY ASSESSMENTS ON INSURANCE COMPANIES,  
SOME HOSPITALS, AND OTHER PROVIDERS OF HEALTH CARE COVERAGE.**

Submitted to the Electorate of Oregon by Referendum Petition to be voted on at  
the Special Election, January 23, 2018.

**Explanation**

By the Joint Interim Committee on Referendum 301 pursuant to section 60, chapter  
749, Oregon Laws 2017.

The 2017 Legislative Assembly enacted House Bill 2391 to address certain  
health care funding issues. Petitioners have referred portions of House Bill 2391 to  
voters for their approval or rejection.

House Bill 2391 creates the funding needed to pay the state's budgeted costs for  
providing health care to low-income adults, children and families and individuals with  
disabilities. House Bill 2391 also creates the funding needed to restore a program to  
stabilize the cost of health insurance premiums paid by individuals and families.

House Bill 2391 creates the needed funds from a temporary assessment on  
providers of health care coverage. This includes a 1.5 percent assessment on the gross  
amount of health insurance premiums collected by insurance companies, a 1.5 percent  
assessment on payments to managed care organizations and a 1.5 percent assessment

1 on the health care costs and associated administrative expenses paid by the Public  
2 Employees' Benefit Board. House Bill 2391 also creates funding by making changes to  
3 a hospital assessment, already paid by some hospitals in the state, that is used to pay  
4 for health care for low-income adults, children and families and individuals with  
5 disabilities. House Bill 2391 changes the hospital assessment by capping the current  
6 assessment at 5.3 percent of a hospital's earnings from patient care but adding an  
7 additional two-year assessment of 0.7 percent. The additional assessment of 0.7  
8 percent became effective on October 6, 2017. House Bill 2391 makes other changes to  
9 the hospital assessment that become effective on January 1, 2018, and those changes  
10 also include a temporary 0.7 percent additional assessment.

11         Ballot Measure XX asks voters to approve the portions of House Bill 2391 that  
12 create the temporary 1.5 percent assessment on providers of health care coverage. It  
13 also asks the voters to approve the portion of House Bill 2391 that collects the  
14 temporary additional 0.7 percent assessment on hospitals beginning October 6, 2017.  
15 Ballot Measure XX does not ask the voters to approve the portion of House Bill 2391  
16 that collects the additional 0.7 percent assessment from January 1, 2018, until July 1,  
17 2019.

18         If the voters reject Ballot Measure XX, it would eliminate the temporary  
19 assessment on providers of health care coverage and delay until January 1, 2018, the  
20 additional 0.7 percent hospital assessment. The effect would be to reduce the funds  
21 available to pay budgeted costs for providing health care to low-income children,  
22 adults and families and individuals with disabilities and eliminate the funds needed to  
23 stabilize health insurance premium costs for individuals and families.