

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
79th Oregon Legislative Assembly  
2017 Regular Session  
Legislative Revenue Office

Bill Number: HB 2391 - A  
Revenue Area: Provider Tax  
Economist: Dae Baek  
Date: 6/13/2017

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

**Measure Description:** Establishes the Health System Fund (HSF). Creates assessments on health insurers, the Public Employers' Benefit Board (PEBB), and managed care organizations (MCO). Dedicates these assessments to the HSF. Transfers certain moneys to the HSF. Increases assessment on certain hospitals. Creates an assessment on specified rural hospitals. Provides a mechanism for an intergovernmental transfer from the Oregon Health and Science University (OHSU) to the Oregon Health Authority. Creates the Oregon Reinsurance Program. Specifies sunset dates for assessments and programs.

**Revenue Impact (in \$Millions):**

**(1) Oregon Health Plan**

	Biennium	
	2017-19	2019-21
<b>(A) Revenue to the Health System Fund</b>	<b>\$251.0</b>	<b>\$197.7</b>
Transfer from Health Exchange Insurance Fund	\$7.0	
Transfer from Oregon Medical Insurance Pool	\$50.0	
Assessment on Insurers	\$78.0	\$116.7
Assessment on PEBB	\$12.0	\$4.0
Assessment on MCO	\$104.0	\$77.0
<b>(B) Hospital Assessment</b>	<b>\$249.0</b>	<b>\$182.0</b>
Additional Assessment on Specified Hospitals	\$126.0	
Assessment on Type A and Type B Rural Hospitals	\$123.0	\$182.0
<b>(C) OHSU Intergovernmental Transfer</b>	<b>\$105.0</b>	<b>\$140.0</b>
<b>Total Revenue (A + B + C)</b>	<b>\$605.0</b>	<b>\$519.7</b>

Source: Oregon Health Authority, Oregon Department of Consumer and Business Services

**Impact Explanation:** This analysis focuses on new and additional revenues as well as specified transfers. Federal matches and shifts of funds from one purpose to another are addressed in the fiscal impact statement by the Legislative Fiscal Office.

## (2) General Fund

	Biennium	
	2017-19	2019-21
General Fund	-\$2.0	-\$6.0

**Impact Explanation:** As a result of an insurance premium tax on health plans delivered or issued for delivery in Oregon, non-Oregon domiciled insurers are subject to less retaliatory insurance tax that flows into the general fund. Oregon Department of Consumer and Business Services estimates that the retaliatory tax will decline by \$4 million per calendar year.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No