House Bill 3368

Sponsored by Representative GREENLICK

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Creates Health Insurance Exchange Corporation to act as central forum for individuals and businesses to purchase affordable health care and to work with insurers and medical providers to develop health insurance benefit packages that manage care, quality and cost. Specifies requirements for board of directors and powers and duties of corporation. Authorizes board to impose fees or charges. Establishes Health Insurance Exchange Account.

Requires Department of Human Services to seek federal approval to increase income limit for Oregon Health Plan and Family Health Insurance Assistance Program coverage of children under age 19 to 200 percent of federal poverty guidelines. Specifies limits on cost-sharing. Provides subsidy for children with incomes up to 300 percent of federal poverty guidelines. Permits higher income children to buy into program.

Raises limit for Oregon Health Plan coverage for adults to 200 percent of federal poverty guidelines effective January 1, 2008, subject to federal approval.

Establishes payroll tax and net earnings from self-employment tax. Continuously appropriates moneys to Department of Revenue to cover expenses of administration of taxes. Establishes income and corporate excise tax credit for health benefit plan coverage premium costs incurred by employers in providing health benefit coverage to employees and dependents. Limits amount of credit.

Denies personal exemption credit on Oregon income tax to individual without health insurance coverage defined by corporation.

Requires Administrator of Office for Oregon Health Policy and Research to collaborate with Oregon Health Research and Evaluation Collaborative and others to develop five-year plan to evaluate implementation and initial outcomes from changes made in Act. Requires administrator to develop model for quality institute with specified functions.

Authorizes Department of Human Services to require prior authorization of drugs on Practitioner-Managed Prescription Drug Plan.

Appropriates moneys to Health Insurance Exchange Corporation.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to increasing access to health care; creating new provisions; amending ORS 316.168, 414.025, 414.839 and 735.722; repealing ORS 414.336; appropriating money; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Health Insurance Exchange Corporation is created as an independent public corporation. The corporation shall be governed by a board of seven directors appointed by the Governor. Two members shall be chosen to represent the public. Members of the board are subject to confirmation by the Senate pursuant to section 4, Article III of the Oregon Constitution.

(2) No member of the board of directors shall have any pecuniary interest, other than an incidental interest that is disclosed and made a matter of public record at the time of appointment to the board, in any corporation or other business entity doing business in the health insurance industry.

(3) The term of office of a member is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor. A member is eligible for reappointment. If there is a vacancy for any cause, the

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

Governor shall make an appointment to become immediately effective for the unexpired term.

(4) A member of the board of directors is entitled to compensation and expenses as provided in ORS 292.495.

(5) The board of directors shall select one of its members as chairperson and another as vice chairperson, for such terms and with such duties and powers as the board of directors considers necessary for performance of the functions of those offices. A majority of the members of the board of directors constitutes a quorum for the transaction of business.

(6) The board of directors shall meet at least once every three months at a time and place determined by the board of directors. The board of directors shall meet at such other times and places specified by the call of the chairperson or of a majority of the members of the board of directors.

(7) It is the function of the board of directors to establish the policies for the operation of the Health Insurance Exchange Corporation, consistent with all applicable provisions of law.

(8) The board of directors shall file with the Legislative Assembly and the Governor, not later than April 15 of each year, a report covering the activities and operations of the Health Insurance Exchange Corporation for the preceding calendar year.

SECTION 2. Notwithstanding the term of office specified by section 1 of this 2007 Act, of the members first appointed to the Health Insurance Exchange Corporation board of directors:

(1) Two shall serve for terms ending January 1, 2010.

(2) Two shall serve for terms ending January 1, 2011.

(3) Three shall serve for terms ending January 1, 2012.

SECTION 3. (1) The Health Insurance Exchange Corporation is created as a central forum for individuals and businesses to purchase affordable health insurance.

(2) The functions of the Health Insurance Exchange Corporation shall be:

(a) To provide a mechanism through which individuals and employers can easily access cost-effective and comprehensive private market coverage with or without subsidies;

(b) To define an affordability standard that is a calculation of how much individuals and families can be expected to spend for health insurance and still afford to pay for housing, food and other necessities;

(c) To negotiate and collaborate with the community of insurers and medical providers to develop benefit packages that manage care, quality and cost; and

(d) To perform all other functions that the laws of this state specifically authorize or that are necessary or appropriate to carry out the functions expressly authorized.

(3) The Health Insurance Exchange Corporation may establish, impose, collect and use fees or other mechanisms to ensure sustainable and internally generated funding.

(4) The Health Insurance Exchange Corporation in its name may sue and be sued.

(5) The Health Insurance Exchange Corporation in its own name may:

(a) Acquire, lease, rent, own and manage real property.

(b) Construct, equip and furnish buildings or other structures as are necessary to accommodate its needs.

(c) Purchase, rent, lease or otherwise acquire for its use all supplies, materials, equipment and services necessary to carry out its functions.

(d) Sell or otherwise dispose of any property acquired under this subsection.

(6) Any real property acquired and owned by the Health Insurance Exchange Corporation under this section shall be subject to ad valorem taxation.

SECTION 4. (1) Except as otherwise provided by law, the provisions of ORS chapters 240, 276 and 282 do not apply to the Health Insurance Exchange Corporation.

(2) In carrying out the duties, functions and powers imposed by law upon the Health Insurance Exchange Corporation, the board of directors or the manager of the Health Insurance Exchange Corporation may contract with any state agency for the performance of such duties, functions and powers as the corporation considers appropriate.

(3) Notwithstanding subsection (1) or (2) of this section, ORS 240.167 and 240.321 apply to the Health Insurance Exchange Corporation, its directors, manager and employees.

SECTION 5. (1) The Health Insurance Exchange Corporation is under the direct supervision of a manager appointed by the board of directors of the corporation. The manager serves at the pleasure of the board of directors.

(2) The manager has such powers as are necessary to carry out the functions of the Health Insurance Exchange Corporation, subject to policy direction by the board of directors.

(3) The manager may employ, terminate and supervise the employment of staff as may be required in the administration of the Health Insurance Exchange Corporation.

SECTION 6. The Health Insurance Exchange Account is established separate and distinct from the General Fund. All moneys received by the Health Insurance Exchange Corporation, other than appropriations from the General Fund, shall be deposited into the account and are continuously appropriated to the Health Insurance Exchange Corporation to carry out the duties, functions and powers of the Health Insurance Exchange Corporation.

SECTION 7. Within 30 days of the effective date of this 2007 Act, the Department of Human Services shall seek federal approval to amend the terms and conditions of the Medicaid demonstration project to allow children with incomes up to 200 percent of the federal poverty guidelines to enroll in the Oregon Health Plan or the Family Health Insurance Assistance Program, and to implement the provisions of the amendments to ORS 414.025, 414.839 and 735.722 by sections 8, 9 and 10 of this 2007 Act.

SECTION 8. ORS 414.025 is amended to read:

414.025. As used in this chapter, unless the context or a specially applicable statutory definition requires otherwise:

(1) "Category of aid" means assistance provided by the Oregon Supplemental Income Program, temporary assistance for needy families granted under ORS 418.035 to 418.125 or federal Supplemental Security Income payments.

(2) "Categorically needy" means, insofar as funds are available for the category, a person who is a resident of this state and who:

(a) Is receiving a category of aid.

(b) Would be eligible for, but is not receiving a category of aid.

(c) Is in a medical facility and, if the person left such facility, would be eligible for a category of aid.

(d) Is under the age of 21 years and would be a dependent child under the program for temporary assistance for needy families except for age and regular attendance in school or in a course of professional or technical training.

(e)(A) is a caretaker relative named in ORS 418.035 (2)(a)(C) who cares for a dependent child

who would be a dependent child under the program for temporary assistance for needy families except for age and regular attendance in school or in a course of professional or technical training; or

(B) Is the spouse of such caretaker relative and fulfills the requirements of ORS 418.035 (1).

(f) Is under the age of 21 years, is in a foster family home or licensed child-caring agency or institution under a purchase of care agreement and is one for whom a public agency of this state is assuming financial responsibility, in whole or in part.

(g) Is a spouse of an individual receiving a category of aid and who is living with the recipient of a category of aid, whose needs and income are taken into account in determining the cash needs of the recipient of a category of aid, and who is determined by the Department of Human Services to be essential to the well-being of the recipient of a category of aid.

(h) Is a caretaker relative named in ORS 418.035 (2)(a)(C) who cares for a dependent child receiving temporary assistance for needy families or is the spouse of such caretaker relative and fulfills the requirements of ORS 418.035 (1).

(i) Is under the age of 21 years, is in a youth care center and is one for whom a public agency of this state is assuming financial responsibility, in whole or in part.

(j) Is under the age of 21 years and is in an intermediate care facility which includes institutions for the mentally retarded; or is under the age of 22 years and is in a psychiatric hospital.

(k) Is under the age of 21 years and is in an independent living situation with all or part of the maintenance cost paid by the Department of Human Services.

(L) Is a member of a family that received temporary assistance for needy families in at least three of the six months immediately preceding the month in which such family became ineligible for such assistance because of increased hours of or increased income from employment. As long as the member of the family is employed, such families will continue to be eligible for medical assistance for a period of at least six calendar months beginning with the month in which such family became ineligible for assistance because of increased hours of employment or increased earnings.

(m) Is an adopted person under 21 years of age for whom a public agency is assuming financial responsibility in whole or in part.

(n) Is an individual or is a member of a group who is required by federal law to be included in the state's medical assistance program in order for that program to qualify for federal funds.

(o) Is an individual or member of a group who, subject to the rules of the department and within available funds, may optionally be included in the state's medical assistance program under federal law and regulations concerning the availability of federal funds for the expenses of that individual or group.

(p) Is a pregnant woman who would be eligible for temporary assistance for needy families including such aid based on the unemployment of a parent, whether or not the woman is eligible for cash assistance.

(q) Would be eligible for temporary assistance for needy families pursuant to 42 U.S.C. 607 based upon the unemployment of a parent, whether or not the state provides cash assistance.

(r) Except as otherwise provided in this section and to the extent of available funds, is a pregnant woman or child for whom federal financial participation is available under Title XIX of the federal Social Security Act.

(s) Is not otherwise categorically needy and is not eligible for care under Title XVIII of the federal Social Security Act or is not a full-time student in a post-secondary education program as defined by the Department of Human Services by rule, but whose family income is less than **200**

percent of the federal poverty [*level*] **guidelines** [*and whose family investments and savings equal less than the investments and savings limit established by the department by rule*].

(3) "Income" has the meaning given that term in ORS 411.704.

(4) "Investments and savings" means cash, securities as defined in ORS 59.015, negotiable instruments as defined in ORS 73.0104 and such similar investments or savings as the Department of Human Services may establish by rule that are available to the applicant or recipient to contribute toward meeting the needs of the applicant or recipient.

(5) "Medical assistance" means so much of the following medical and remedial care and services as may be prescribed by the Department of Human Services according to the standards established pursuant to ORS 414.065, including payments made for services provided under an insurance or other contractual arrangement and money paid directly to the recipient for the purchase of medical care:

(a) Inpatient hospital services, other than services in an institution for mental diseases;

(b) Outpatient hospital services;

(c) Other laboratory and X-ray services;

(d) Skilled nursing facility services, other than services in an institution for mental diseases;

(e) Physicians' services, whether furnished in the office, the patient's home, a hospital, a skilled nursing facility or elsewhere;

(f) Medical care, or any other type of remedial care recognized under state law, furnished by licensed practitioners within the scope of their practice as defined by state law;

(g) Home health care services;

(h) Private duty nursing services;

(i) Clinic services;

(j) Dental services;

(k) Physical therapy and related services;

(L) Prescribed drugs, including those dispensed and administered as provided under ORS chapter 689;

(m) Dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select;

(n) Other diagnostic, screening, preventive and rehabilitative services;

(o) Inpatient hospital services, skilled nursing facility services and intermediate care facility services for individuals 65 years of age or over in an institution for mental diseases;

(p) Any other medical care, and any other type of remedial care recognized under state law;

(q) Periodic screening and diagnosis of individuals under the age of 21 years to ascertain their physical or mental impairments, and such health care, treatment and other measures to correct or ameliorate impairments and chronic conditions discovered thereby;

(r) Inpatient hospital services for individuals under 22 years of age in an institution for mental diseases; and

(s) Hospice services.

(6) "Medical assistance" includes any care or services for any individual who is a patient in a medical institution or any care or services for any individual who has attained 65 years of age or is under 22 years of age, and who is a patient in a private or public institution for mental diseases. "Medical assistance" includes "health services" as defined in ORS 414.705. "Medical assistance" does not include care or services for an inmate in a nonmedical public institution.

(7) "Medically needy" means a person who is a resident of this state and who is considered el-

igible under federal law for medically needy assistance.

(8) "Resources" has the meaning given that term in ORS 411.704. For eligibility purposes, "resources" does not include charitable contributions raised by a community to assist with medical expenses.

SECTION 9. ORS 414.839 is amended to read:

414.839. (1) [*Subject to funds available,*] The Department of Human Services [*may*] **shall** provide public subsidies for the purchase of health insurance coverage provided by public programs or private insurance, including but not limited to the Family Health Insurance Assistance Program, for currently uninsured **low-income** individuals [*based on incomes up to 200 percent of the federal poverty level. The objective is to create a transition from dependence on public programs to privately financed health insurance*].

(2) Public subsidies shall apply only to health benefit plans that meet or exceed the basic benchmark health benefit plan or plans established under ORS 735.733.

(3) Cost-sharing shall be permitted [*and*] **for an individual with income above 200 percent of the federal poverty guidelines, provided it is** structured in such a manner to encourage appropriate use of preventive care and avoidance of unnecessary services.

(4) Cost-sharing shall be based on an individual's ability to pay and may not exceed the cost of purchasing a plan.

(5) The state may pay a portion of the cost of the subsidy, based on the individual's income and other resources. **For children under 19 years of age, there shall be:**

(a) A full subsidy for children whose family income is at or below 200 percent of the federal poverty guidelines;

(b) A partial subsidy for children whose family income is above 200 percent and at or below 300 percent of the federal poverty guidelines; and

(c) No subsidy for children whose family income is above 300 percent of the federal poverty guidelines, however the child may purchase coverage offered through the department or the Office of Private Health Partnerships at the contracted capitated rate.

SECTION 10. ORS 735.722 is amended to read:

735.722. (1) There is established the Family Health Insurance Assistance Program in the Office of Private Health Partnerships. The purpose of the program is to remove economic barriers to health insurance coverage for residents of the State of Oregon with family income less than 200 percent of the federal poverty level, [*and investment and savings less than the limit established by the office,*] while encouraging individual responsibility, promoting health benefit plan coverage of children, building on the private sector health benefit plan system and encouraging employer and employee participation in employer-sponsored health benefit plan coverage.

(2) The Office of Private Health Partnerships shall be responsible for the implementation and operation of the Family Health Insurance Assistance Program. The Administrator of the Office for Oregon Health Policy and Research, in consultation with the Oregon Health Policy Commission, shall make recommendations to the Office of Private Health Partnerships regarding program policy, including but not limited to eligibility requirements, assistance levels, benefit criteria and carrier participation.

(3) The Office of Private Health Partnerships may contract with one or more third-party administrators to administer one or more components of the Family Health Insurance Assistance Program. Duties of a third-party administrator may include but are not limited to:

(a) Eligibility determination;

(b) Data collection;

(c) Assistance payments;

(d) Financial tracking and reporting; and

(e) Such other services as the office may deem necessary for the administration of the program.

(4) If the office decides to enter into a contract with a third-party administrator pursuant to subsection (3) of this section, the office shall engage in competitive bidding. The office shall evaluate bids according to criteria established by the office, including but not limited to:

(a) The bidder's proven ability to administer a program of the size of the Family Health Insurance Assistance Program;

(b) The efficiency of the bidder's payment procedures;

(c) The estimate provided of the total charges necessary to administer the program; and

(d) The bidder's ability to operate the program in a cost-effective manner.

SECTION 11. (1) As used in this section:

(a) "Employer" includes:

(A) Any person employing any individual in this state;

(B) This state or an agency or political subdivision of this state;

(C) A city, county, school district or other municipal corporation or taxing district in this state; and

(D) The federal government, if the federal government consents to be subject to the tax imposed by this section.

(b) "Internal Revenue Code" means the federal Internal Revenue Code, as amended and in effect on December 31, 2006.

(c) "Net earnings from self-employment" has the meaning given that term in section 1402 of the Internal Revenue Code.

(d) "Wages" has the meaning given that term in ORS 316.162.

(2) An excise tax is imposed on each employer equal to two percent of the wages paid by the employer for the employment of individuals in this state.

(3) An excise tax is imposed on each individual with net earnings from self-employment that is allocated and apportioned to this state under ORS 314.280 and 314.605 to 314.675 at the rate of two percent of the net earnings from self-employment that is allocated and apportioned to this state.

(4) An employer may not make a deduction from the wages of an employee to pay all or a portion of the tax imposed under this section.

(5)(a) An employer shall report and pay the tax imposed under this section at the time and in the manner in which other withholding taxes are reported and paid under ORS 316.162 to 316.221.

(b)(A) An individual with net earnings from self-employment shall report and pay the tax imposed under this section at the time and in the manner in which other withholding taxes are reported and paid under ORS 316.162 to 316.221. For purposes of this paragraph, net earnings from self-employment shall be considered wages and the individual earning net earnings from self-employment shall be considered an employer.

(B) Notwithstanding subparagraph (A) of this paragraph, if an individual has net earnings from self-employment that do not exceed $_____ for the calendar year, the individual may elect to report and pay the tax imposed under this section annually, at the time and in the manner prescribed by the Department of Revenue by rule.

SECTION 12. (1) Notwithstanding section 11 (2) of this 2007 Act, the rate of tax imposed on wages under section 11 (2) of this 2007 Act for tax reporting periods beginning on or after July 1, 2008, and before January 1, 2011, shall be 2.8 percent.

(2) Notwithstanding section 11 (3) of this 2007 Act, the rate of tax imposed on net earnings from self-employment under section 11 (3) of this 2007 Act for tax reporting periods beginning on or after July 1, 2008, and before January 1, 2011, shall be 2.8 percent.

SECTION 13. (1) If an employer or individual fails to remit the amount of taxes imposed under section 11 of this 2007 Act when due, the Department of Revenue may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued thereon. The warrant shall be issued, docketed and proceeded upon in the same manner and have the same force and effect as prescribed with respect to warrants for the collection of delinquent state income taxes.

(2) Unless the context requires otherwise, the provisions of ORS chapters 305, 314 and 316 as to the audit and examination of reports and returns, determination of deficiencies, assessments, claims for refunds, penalties, interest, jeopardy assessments, warrants, confidentiality and disclosure of reports and returns, conferences and appeals to the Oregon Tax Court, and procedures relating thereto, apply to the taxes imposed under section 11 of this 2007 Act as if the tax were a tax imposed upon or measured by net income.

SECTION 14. (1) Revenues raised from the tax imposed under section 11 of this 2007 Act shall be deposited in a suspense account established under ORS 293.445.

(2) The following amounts are continuously appropriated from the suspense account to the Department of Revenue for the following purposes:

(a) Amounts necessary to make refunds of the tax imposed under section 11 of this 2007 Act;

(b) Amounts necessary to make reimbursement grants under section 20 of this 2007 Act; and

(c) Amounts necessary to reimburse the Department of Revenue for the expenses of the department in administering the tax.

(3) Amounts necessary to annually reimburse the General Fund for the costs of the tax credit allowed under section 19 of this 2007 Act shall be transferred from the suspense account to the General Fund.

(4) After payment of the amounts described in subsections (2) and (3) of this section, the net revenues from the tax imposed under section 11 of this 2007 Act shall be paid over to the State Treasurer and deposited in the Oregon Health Plan Fund under ORS 414.109.

SECTION 15. ORS 316.168 is amended to read:

316.168. (1) Except as otherwise provided by law, every employer subject to the provisions of ORS 316.162 to 316.221, 656.506 and ORS chapter 657 **and section 11 of this 2007 Act**, or a payroll-based tax imposed by a mass transit district and administered by the Department of Revenue under ORS 305.620, shall make and file a combined quarterly tax and assessment report upon a form prescribed by the department.

(2) The report shall be filed with the Department of Revenue on or before the last day of the month following the quarter to which the report relates and shall be deemed received on the date of mailing, as provided in ORS 305.820.

[*(a)*] **(3)** The report shall be accompanied by payment of any tax or assessment due and a combined tax and assessment payment coupon prescribed by the department. The employer shall indicate

on the coupon the amount of the total payment and the portions of the payment to be paid to each of the tax or assessment programs.

[*(b)*] **(4)** The Department of Revenue shall credit the payment to the tax or assessment programs in the amounts indicated by the employer on the coupon and shall promptly remit the payments to the appropriate taxing or assessing body.

[*(c)*] **(5)** If the employer fails to allocate the payment on the coupon, the department shall allocate the payment to the proper tax or assessment programs on the basis of the percentage the payment bears to the total amount due.

[*(d)*] **(6)** The Department of Revenue shall distribute copies of the combined quarterly tax and assessment report and the necessary tax or assessment payment information to each of the agencies charged with the administration of a tax or assessment covered by the report.

[*(e)*] **(7)** The Department of Revenue, the Employment Department and the Department of Consumer and Business Services shall develop a system of account numbers and assign to each employer a single account number representing all of the tax and assessment programs included in the combined quarterly tax and assessment report.

SECTION 16. Sections 11 and 13 of this 2007 Act and the amendments to ORS 316.168 by section 15 of this 2007 Act apply to withholding tax reporting periods beginning on or after July 1, 2008.

SECTION 17. Sections 18 to 20 of this 2007 Act are added to and made a part of ORS chapter 315.

SECTION 18. As used in sections 18 to 20 of this 2007 Act, unless the context requires otherwise:

(1) "Employer" includes a self-employed individual.

(2) "Health benefit plan" has the meaning given that term in ORS 743.730.

SECTION 19. (1) A credit against the taxes otherwise due under ORS chapter 316 (or, if the taxpayer is a corporation that is an employer, under ORS chapter 317 or 318) is allowed to an employer for providing health benefit plan coverage to employees and dependents.

(2) The amount of the credit allowed under this section shall equal the lesser of:

(a) The health benefit plan premiums paid by the employer to provide health benefit plan coverage to employees and dependents in this state during the tax year; or

(b) The tax liability of the taxpayer.

(3)(a) If the taxpayer has a tax year that is less than 12 months or if the taxpayer did not pay health benefit plan premiums for a full 12-month period, the limit on the amount of credit established under subsection (2)(b) of this section shall be proportionally reduced to reflect the shortened period.

(b) The Department of Revenue may adopt rules for determining proration under this subsection when family members are added to or dropped from health benefit plan coverage during the course of the tax year, including calculating an annual average number of covered individuals and a threshold level of coverage change below which proration is not needed.

(4) A credit that is not used in the tax year and that, except for the provisions of subsection (2)(b) of this section, is otherwise allowable under this section may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and used in the second succeeding tax year, and likewise any credit not used in that second succeeding tax year may be carried forward and used in the third succeeding tax year, but may not be

carried forward for any tax year thereafter.

(5) A credit under this section may be claimed by a nonresident or part-year resident without proration under ORS 316.117.

(6) The credit under this section shall be claimed by the taxpayer on a form prescribed by the Department of Revenue and shall contain the information required by the Department of Revenue.

SECTION 20. (1) If an employer that is subject to tax under section 11 of this 2007 Act is one described in section 11 (1)(a)(B) to (D) of this 2007 Act, the employer may annually claim a reimbursement grant under this section. The amount of the grant shall equal the amount of tax credit the employer would have been allowed if the employer were subject to tax under ORS chapter 316, 317 or 318, computed without regard to section 19 (2)(b) of this 2007 Act.

(2) A reimbursement grant may be claimed by filing a claim form with the Department of Revenue at the time, in the manner and containing the information required by the department.

(3) The department shall make reimbursement grants from the amounts continuously appropriated to the department under section 14 (2)(b) of this 2007 Act.

SECTION 21. Section 22 of this 2007 Act applies to tax years beginning on or after January 1, 2009.

SECTION 22. (1) An individual may not claim a personal exemption credit under ORS 316.085 if the individual is not enrolled in a publicly-funded or private market health benefit plan that provides coverage that satisfies criteria adopted by the Health Insurance Exchange Corporation by rule.

(2) The Department of Revenue shall adopt rules and procedures to enforce the provisions of this section.

SECTION 23. (1) The Administrator of the Office for Oregon Health Policy and Research, in collaboration with the Oregon Health Research and Evaluation Collaborative and other persons with relevant expertise, shall develop a five-year plan for evaluating the implementation and initial outcomes of section 3 of this 2007 Act and the amendments to ORS 414.025, 414.839 and 735.722 by sections 8, 9 and 10 of this 2007 Act. The evaluation plan shall include measures of:

(a) Provider capacity;

(b) Population demand;

(c) Provider and consumer participation;

(d) Utilization patterns;

(e) Changes in health outcomes;

(f) Health disparities and quality;

(g) Financial impacts;

(h) The extent to which employers discontinue coverage due to the availability of publicly financed coverage;

(i) Use of technology; and

(j) Transparency of costs.

(2) The administrator shall develop a model for a quality institute that shall:

(a) Develop and promote methods for improving collection, measurement and reporting of quality information;

(b) Provide leadership and support to further the development of widespread and shared electronic health records;

(c) Develop the capacity of the workforce to capitalize on health information technology;

(d) Encourage purchasers, providers and state agencies to improve system transparency and public understanding of quality in health care;

(e) Support the Oregon Patient Safety Commission's efforts to increase collaboration and state leadership to improve health care safety; and

(f) Mobilize a coordinated effort among all state purchasers of health care and insurers to support delivery models and reimbursement strategies that will more effectively support infrastructure investments, integrated care and improved health outcomes.

SECTION 24. There is appropriated to the Health Insurance Exchange Corporation, for the biennium beginning July 1, 2007, out of the General Fund, the amount of $_____ for the purpose of carrying out the provisions of sections 1 to 6 of this 2007 Act.

SECTION 25. Sections 3 and 11 to 14 of this 2007 Act and the amendments to ORS 316.168 by section 15 of this 2007 Act become operative July 1, 2008.

SECTION 26. Subject to receipt of federal approval under section 7 of this 2007 Act, section 22 of this 2007 Act and the amendments to ORS 414.025 by section 8 of this 2007 Act become operative on January 1, 2010.

SECTION 27. Except as provided in section 26 of this 2007 Act, the amendments to ORS 414.839 and 735.722 by sections 9 and 10 of this 2007 Act become operative upon receipt of the necessary federal approval under section 7 of this 2007 Act.

SECTION 28. ORS 414.336 is repealed.

SECTION 29. This 2007 Act takes effect on the 91st day after the date on which the regular session of the Seventy-fourth Legislative Assembly adjourns sine die.