

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3260 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

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

Prepared by: Kim To
Reviewed by: Linda Ames
Date: 4/16/2013

Measure Description:

Requires Oregon Health Authority to conduct study or contract with third party to study and recommend best option for financing health care in state.

Government Unit(s) Affected:

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 3260 A-Engrossed requires the Oregon Health Authority to conduct a study or to contract with a third party to conduct a study to examine options for financing health care delivery in Oregon. The options should include:

1. An option for a publicly financed single-payer model for financing privately delivered health care that is decoupled from employment and allows commercial insurance coverage only of supplemental health services not paid for under the option.
2. An option that allows individuals to choose between a publicly funded plan and private insurance coverage, and allows for fair and robust competition between public and private insurance.
3. The current health care financing system in the state that includes Coordinated Care Organizations, the Oregon health insurance exchange, and full implementation of the Affordable Care Act.
4. An option that provides essential health benefits, including preventive care and hospital services that is funded by a broad based and constitutionally dedicated sales tax that does not tax income or payroll.

The bill directs OHA to report on the progress of the study during the 2014 legislative session, and to submit the final report to the interim legislative committee no later than November 1, 2014. The bill sunsets January 2, 2016.

To carry out the work required by the bill, OHA anticipates contracting with a third party. Using cost information for comparable work conducted by the New York State Department of Health and Department of Insurance, the Oregon Health Authority estimates the cost of this study to be roughly \$600,000 Total Funds.

The bill instructs OHA to accept funding from a variety of sources to carry out this study. The bill stipulates that OHA is only obligated to conduct this study, if this external funding is available. Note, at this time no source of external funding has been identified.