

HB 3075 STAFF MEASURE SUMMARY

House Committee On Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/19, 3/26, 4/2

WHAT THE MEASURE DOES:

Permits an eligible public employee enrolled in health coverage through Public Employees' Benefit Board or Oregon Educators Benefit Board with a spouse or family member also enrolled in a health plan offered by PEBB or OEGB to receive double coverage. Removes provision requiring PEBB and OEGB to use tools designed to limit the growth in per-member expenditures for health services or annual increases in premiums to no more than 3.4 percent per year. Takes effect on 91st day following adjournment sine die.

REVENUE: Impact statement issued: no revenue impact.

FISCAL: Impact statement issued: fiscal lite.

ISSUES DISCUSSED:

- Effect of Senate Bill 1067 (2017) on school districts, their employees, recruitment and retention of qualified teachers, particularly in rural communities
- Financial projections in 2017 of SB 1067; recent analysis of the impact of SB 1067 by the PEBB Board
- Annual increases in PEBB and OEGB offered premiums; employer and employee costs
- Double coverage and opt-out provisions, restrictions, and financial cost to enrollees, specifically in accessing specialty services for dependents
- Financial impact to carriers that serve OEGB and PEBB with (and without) double coverage and opt-out provisions
- Opt-out provision as a financial incentive for enrollees

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Legislative Fiscal Office (LFO), a legislative work group was convened during the 2017 session to examine potential cost reduction and prevention options to help reduce cost increases in future budgets. The work group was also directed to institute prudent financial practices and principles for state government. The result of the work group was Senate Bill 1067 (2017), which enacted several measures affecting the Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEGB). Among other things, SB 1067 required PEBB and OEGB to adopt methodologies to limit growth in premium or per member health plan costs to 3.4 percent per year and eliminated "double coverage" for PEBB and OEGB employees who have family members also employed by a PEBB or OEGB employer beginning with plan years after October 1, 2019 (OEGB) and January 1, 2020 (PEBB). SB 1067 also discontinued the ability for a PEBB or OEGB employee with double coverage to decline double coverage or "opt out" and thus receive payments. These changes were estimated to reduce future health care costs in PEBB and OEGB and result in General Fund savings in the 2017-19 and 2019-21 biennia (LFO 2017).

House Bill 3075 restores the ability for employees and their family members and dependents in state-sponsored health plans, if eligible, to receive "double insurance coverage" or "opt-out" financial incentives.

PRELIMINARY