HB 2012 STAFF MEASURE SUMMARY

House Committee On Health Care

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Sub-Referral To:	Joint Committee On Ways and Means
Meeting Dates:	3/14, 4/4

WHAT THE MEASURE DOES:

Allows an individual to enroll in a coordinated care organization (CCO) if not eligible for Medicaid or premium tax credits through the Affordable Care Act (ACA) and meets specified income requirements: (1) between 138-400 percent of the federal poverty level (FPL), or (2) between 400-600 percent of the FPL and is offered employer-sponsored health coverage but required to pay full cost of premiums. Eligible individuals are required to pay enrollment premiums. Authorizes the Oregon Health Authority (OHA) and the Department of Consumer and Business Services (DCBS) to adopt rules to establish enrollment process, determine enrollment premiums, and collect premiums to reimburse CCOs for covered services.

REVENUE: May have revenue impact, but no statement yet issued.
FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

- Affordability of plans, enrollee premiums, and consumer out-of-pocket costs
- Program eligibility; risk profile for eligible populations
- Provider reimbursement rates, health professional participation in proposed plans, network adequacy
- Increased access to health care in Oregon through recent coverage expansions
- Risk pools; impact to individual and group markets, employer-sponsored coverage
- Individual responsibility provision and potential change in the uninsured rate

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Recently, policy proposals have been introduced at both the federal and state levels that would permit individuals above Medicaid eligibility levels to "buy in" to Medicaid or leverage the state Medicaid program to strengthen coverage across the individual commercial market and Medicaid. States are exploring the concept of a Medicaid buy-in program (or public option) to establish a new coverage program targeting lower-income individuals and families not eligible for Medicaid or federal subsidies through the Marketplace.

A state has flexibility in designing a Medicaid buy-in proposal, making policy decisions across a range of key program features such as provider networks, reimbursement rates and the role of public and private plans, to create a program that resembles a Medicaid benefit, a marketplace product, or a hybrid of the two. States may choose to pursue federal waivers (e.g., Section 1332). As of 2019, seven states have introduced legislation to create Medicaid buy-in proposals seeking to address marketplace access and competition, insurance premium and cost-sharing affordability, and alignment across Medicaid and individual insurance market coverage.

In 2018, the Oregon House Committee on Health Care created the Universal Access to Care (UAC) Work Group. The group explored the implications of establishing a Medicaid-like buy-in program as an affordable insurance product offered statewide, outside the individual Affordable Care Act (ACA) market ("off the Exchange"), leveraging Oregon's existing Medicaid infrastructure, providing a comparable level of benefits as covered in the

Oregon Health Plan (OHP), and utilizing existing provider networks managed by coordinated care organizations (CCOs) and affiliated partners. The proposed coverage program was to target lower-income individuals and families not eligible for Medicaid or federal subsidies through the Marketplace with monthly premiums in paid entirely by enrollees.

House Bill 2012 establishes a targeted Medicaid-like buy-in program in Oregon.