

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 911**80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Kim To
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Date: March 27, 2019**Measure Description:**

Requires health benefit plans, state medical assistance program, Public Employees' Benefit Board and Oregon Educators Benefit Board to pay for standard fertility preservation services for covered individual who will undergo medical treatment that is likely to result in iatrogenic infertility.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

Summary of Fiscal Impact:

Quantifiable costs related to the measure will require budgetary action. In addition, the fiscal contains elements that are indeterminate at this time - See explanatory analysis.

Analysis:

SB 911 requires health benefit plans, state medical assistance program, the Public Employees' Benefit Board (PEBB), and the Oregon Educators Benefit Board (OEBB) to pay for standard fertility preservation services for covered individuals who undergo medically necessary treatment that may directly or indirectly cause iatrogenic infertility. The measure defines standard fertility preservation services as procedures to preserve fertility and store for one year an individual's eggs or sperm. The measure prohibits discrimination in providing this coverage based on an enrollee's expected length of life, disability, degree of medical dependency, quality of life, other health condition, age, sex, sexual orientation, marital status, or other characteristics.

Oregon Health Plan (OHP)

	2019-21 Biennium	2021-23 Biennium
General Fund		
Personal Services	156,345	208,459
Services and Supplies	30,992	38,035
Special Payments	8,508,988	11,345,100
TOTAL GENERAL FUND	\$8,696,325	\$11,591,594
Federal Funds		
Special Payments	34,033,343	45,377,790
TOTAL FEDERAL FUNDS	\$34,033,343	\$45,377,790
TOTAL FUNDS	\$42,729,668	\$56,969,384
Positions	1	1
FTE	0.75	1.00

OHA estimates the fiscal impact of this measure on the Oregon Health Plan to be \$42,729,668 Total Funds [\$8,696,325 General Fund and \$34,033,343 Federal Funds] and one position (0.75 FTE) for the 2019-21 biennium; and \$56,969,384 Total Funds [\$11,591,594 General Fund and \$45,377,790 Federal Funds] and one position (1.00 FTE) for the 2021-23 biennium. OHA projected the cost of coverage by using average cost of services and claims data to identify the number of Oregon Health Plan members ages 18-44 with a cancer diagnosis and who are

likely to be at risk of infertility and then projecting the number likely to use the services. The 80% Federal Medical Assistance Percentages (FMAP) match rate was determined by taking an average of the Title XIX FMAP rate and the Affordable Care Act (ACA) FMAP rate. In addition to coverage costs, OHA anticipates the need for one Registered Nurse position to manage the prior authorization process.

Public Employees Benefits Board (PEBB)

Providence Health Plan, PEBB's largest health insurer, projects that coverage required by this bill could potentially increase premium rates by less than 1% for PEBB's Statewide Medical Plan and Providence Choice. Assuming a 0.5% premium increase for all PEBB's other medical and prescription medicine plans there could be a fiscal impact of \$6,606,806 for the 2019-21 biennium and \$8,809,074 for the 2021-23 biennium. These estimates are based on projected utilization that accounted for national cancer incidence rates and Providence's membership between 16-49 years of age and includes an anticipated cost of \$200 monthly for storage services.

Note that any proposed legislation resulting in a fiscal impact on insurance premiums provided by PEBB will have a General Fund impact on state agencies because about 40% to 45% of PEBB premium resources come from state agencies' flexible benefits payroll General Fund budget.

Oregon Educators Benefit Board (OEBB)

Moda Health, OEBB's largest health insurer, projects that coverage required by this bill could potentially increase premium rates by 0.2% for the medical and prescription medicine plans they administer. Assuming this applies to OEBB's other medical and prescription medicine plans, there could be a fiscal impact of \$1,099,205 for the 2019-2021 biennium and \$2,931,214 for the 2021-2023 biennium. OEBB based their projections on a study conducted for similar legislation in California.

Note that any proposed legislation resulting in a fiscal impact on insurance premiums provided by OEBB will impact any educational entity that has mandated or elective coverage under OEBB. This includes school districts, community colleges, education service districts and some charter schools.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this measure on DCBS is indeterminate. The expanded coverage required by this measure may be considered a new mandate under the Affordable Care Act (ACA). This Act requires states to offset the cost of mandated benefits enacted after December 2011 for plans issued through the health insurance marketplace. The federal guidance does not clarify whether offsets must be paid out of the General Fund or from other state funds such as marketplace assessment funds.

This measure requires budgetary action for the allocation of General Fund resources and position establishment for the Oregon Health Authority.