

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 497 - 1**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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**Measure Description:**

Requires state medical assistance program and health insurance policies and certificates to cover computerized tomography coronary calcium score scans.

**Government Unit(s) Affected:**

Oregon Health Authority, Department of Consumer and Business Services

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Other Fund</b>		
Special Payments	\$474,555	\$805,523
<b>Total Fiscal Impact</b>	<b>\$474,555</b>	<b>\$805,523</b>
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

**Analysis:**

SB 497-1 requires the Oregon Health Authority (OHA) to provide computerized tomography calcium score scans and computerized tomography coronary artery scoring when ordered by certain licensed professionals for individuals with specific health care concerns. Any policy or certificate of health insurance in Oregon must reimburse the laboratory costs for these services. The measure adds this requirement to the Insurance Code. The measure is effective for all policies and certificates of health insurance issued, renewed, or extended on or after January 1, 2024. The measure has a fiscal impact of \$474,555 Other Funds for the 2023-25 biennium and \$805,523 Total Funds for the 2025-27 biennium.

Oregon Health Authority

Changing what is included in the list of required services that health benefit plans must cover will impact the premiums for the employee health plans offered by the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB), which are housed in the Oregon Health Authority (OHA). While costs for both Boards are budgeted as Other Funds, the corresponding revenue comes from the premiums paid by state agencies and universities for PEBB's plans and the K-12 school system for OEBB's plans. Additionally, state agencies support PEBB's premium payments from the various state and federal revenue streams available in their budgets.

Based on input provided by PEBB's and OEBB's actuaries, OHA estimates that premiums for plans offered by both Boards will increase by an average of 0.2% under the measure. For PEBB, this increase would result in additional costs of \$345,117 in 2023-25, and \$460,156 in 2025-27. For OEBB, the premium increase would result in additional costs of \$129,438 in 2023-25, and \$345,167 in 2025-27. This potential increase in premiums would

challenge PEBB's and OEGB's ability to meet the statutorily required 3.4% annual growth cap on health care premiums and expenditures.

Any fiscal impact on revenues or expenditures with regard to insurance premiums provided by OEGB will impact any educational entity that has mandated or elective coverage under OEGB. This includes school districts, community colleges, education service districts and some charter schools. Any proposed legislation resulting in a fiscal impact on revenues or expenditures with regard to insurance premiums provided by PEBB will have an impact to state agencies because nearly 45% of PEBB premium resources, on average, come from state agencies' flexible benefits payroll General Fund budget.

Additionally, OHA reports the costs associated with the scans and diagnostic services for Medicaid patients who screen positive is indeterminate. To provide a fiscal impact statement for this scenario, information on commercial insurers coverage of these tests is required.