House Bill 3422

Sponsored by Representative BOWMAN (at the request of United States of Care)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Renames task force to create bridge program as Joint Task Force on Affordable Coverage and charges joint task force with creating comprehensive plan for expanded bridge program that provides affordable health insurance to individuals with incomes above 200 percent of federal poverty guidelines and meets specified criteria. Directs Oregon Health Authority, in collaboration with Department of Consumer and Business Services, to request federal approval for waiver for state innovation to provide federal funding for expanded bridge program and request approval to operate state-based health insurance exchange.

Requires implementation of expanded bridge program by January 1, 2029.

1	A BILL FOR AN ACT

Relating to affordable health care coverage; creating new provisions; and amending sections 4 and 12, chapter 29, Oregon Laws 2022.

Whereas Oregon has made progress in reducing the number of Oregonians who are uninsured, yet health care costs too much for many Oregonians, causing a significant percentage of the population to remain underinsured, making health care inaccessible; and

Whereas Oregon has a goal of eliminating health inequities by 2030; and

Whereas the task force created by section 4, chapter 29, Oregon Laws 2022, has recently made remarkable strides in addressing health coverage and costs for individuals who regularly enroll and disenroll in the medical assistance program due to frequent fluctuations in income, by creating a basic health plan; and

Whereas Oregonians receiving insurance through the individual market are experiencing a crisis of unaffordable premiums and out-of-pocket costs; and

Whereas the expiration in 2025 of pandemic-related support, including the enhanced subsidies for insurance offered through the health insurance exchange under the American Rescue Plan will cause individuals to experience premium shock; and

Whereas because of the high costs, many Oregonians, even those who are currently insured, delay or avoid needed care and this disproportionately affects people who have low incomes and members of Oregon's BIPOC community; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) It is the goal of the Legislative Assembly to:

- (a) Drive down health care costs for Oregonians;
- (b) Create a new option for affordable health insurance coverage for individuals who are chronically uninsured or underinsured; and
- (c) Adopt policies that reduce the number of individuals who are uninsured or underinsured to reduce health disparities and advance health equity.
- (2) The Oregon Health Authority, in consultation with the Department of Consumer and Business Services and the Department of Human Services, shall seek federal approvals nec-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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- essary to secure federal financial participation in the costs of program changes that are necessary to carry out the goals of the Legislative Assembly within the authority's legislatively approved budget.
- 4 **SECTION 2.** Section 4, chapter 29, Oregon Laws 2022, is amended to read:
- Sec. 4. (1) [A task force to create a bridge program] The Joint Task Force on Affordable Coverage is established.
 - (2) The **joint** task force shall consist of the following members:
- 8 (a) The President of the Senate shall appoint [two] **three** nonvoting members from among mem-9 bers of the Senate.
- 10 (b) The Speaker of the House of Representatives shall appoint [two] **three** nonvoting members 11 from among members of the House of Representatives.
 - (c) The Governor shall appoint the following members:
 - (A) One member representing low-income workers who are likely to be eligible for the **expanded** bridge program **implemented in accordance with this section**.
 - (B) Two members with expertise in health equity.
- 16 (C) One member with expertise in providing navigation assistance for health insurance consum-17 ers.
 - (D) One member representing organized labor.

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- (E) One member representing an insurer that offers qualified health plans on the health insurance exchange.
 - (F) One member representing a coordinated care organization.
- 22 (G) In addition to the members described in subparagraphs (H) and (I) of this paragraph, two 23 members representing health care providers, one of whom represents a hospital or health system.
 - (H) One member with expertise in behavioral health care.
 - (I) One member representing an oral health care provider that contracts with the **Oregon** Health Authority to provide care to enrollees in the [medical assistance] bridge program developed in accordance with section 5, chapter 29, Oregon Laws 2022.
 - (J) A representative of the Medicaid Advisory Committee.
 - (K) A representative of the Health Insurance Exchange Advisory Committee.
- 30 (L) One member from one of Oregon's nine federally recognized Indian tribes.
 - (M) One member representing health care consumers.
- 32 (N) One member representing small businesses that offer employer-sponsored health in-33 surance to their employees.
 - (0) A representative of the Oregon Racial Justice Council.
 - (d) The chairperson of the Oregon Health Policy Board or the chairperson's designee.
- 36 (e) The Director of the Oregon Health Authority or the director's designee.
 - (f) The Director of Human Services or the director's designee.
- 38 (g) The Director of the Department of Consumer and Business Services or the director's designee.
- 40 (3) The Governor shall select two of the nonvoting members of the **joint** task force to serve as cochairpersons.
- 42 [(4) The members of the task force must be appointed and have their first meeting no later than 43 March 31, 2022.]
 - [(5)] (4) The **joint** task force shall [develop a proposal for a bridge program to provide affordable health insurance coverage and improve the continuity of coverage for individuals who regularly enroll

and diserroll in the medical assistance program or other health care coverage due to frequent fluctuations in income.] create a comprehensive plan to carry out the goal of the Legislative Assembly expressed in section 1 of this 2023 Act by implementing, no later than January 1, 2029, an expanded bridge program to provide affordable health insurance coverage to and improve the continuity of coverage for individuals with incomes above 200 percent of the federal poverty guidelines and small employers, using a waiver for state innovation under 42 U.S.C. 18052.

[(6)] (5) The authority and the Department of Consumer and Business Services shall consult with Oregon Indian tribes during the deliberations of the **joint** task force and incorporate tribal recommendations into the [task force report and requests for federal approvals under subsections (7) and (9) of this section] comprehensive plan created under subsection (4) of this section.

[(7)(a) Except as provided in paragraph (b) of this subsection, the task force must complete the proposal for a bridge program and submit a report, no later than July 31, 2022, containing recommendations and a request for additional funding, if necessary, to the interim committees of the Legislative Assembly related to health, the subcommittee of the Joint Interim Committee on Ways and Means related to human services, the President of the Senate, the Speaker of the House of Representatives and the Legislative Fiscal Officer. The report must include recommendations on:]

- [(A) The potential development of additional federal waivers; and]
- [(B) Suggested timelines for phasing in the bridge program.]

- [(b) If the federal public health emergency related to COVID-19 is extended beyond April 16, 2022, the task force has until September 1, 2022, to complete the proposal and submit a report.]
- [(8)] (6) The [recommendations and proposal] comprehensive plan for [a] an expanded bridge program must, within available federal resources and the authority's legislatively approved budget:
- (a) Prioritize health equity[, reduction in the rate of uninsurance in this state and the promotion of continuous health care coverage for communities that have faced health inequities] and reduce the number of individuals who are uninsured and underinsured in this state, particularly people that have faced health inequities.
- (b) Be consistent with the Oregon Integrated and Coordinated Health Care Delivery System established in ORS 414.570 and enhance the coordinated care organization delivery system.
- [(c) Ensure that the bridge program is available to all individuals residing in this state with incomes at or below 200 percent of the federal poverty guidelines who do not qualify for the medical assistance program but who do qualify for advance premium tax credits, as defined in ORS 413.611.]
- [(d)] (c) Maximize leveraging of federal funds and minimize costs to enrollees in the program and to the state budget.
- [(e)] (d) Provide, at a minimum, all essential health benefits, as defined in ORS 731.097 and, to the extent practicable, an option or options for dental coverage.
- [(f) To the extent practicable, include an option that has no cost-sharing, deductibles or other out-of-pocket costs and an option that provides lesser cost-sharing, deductibles or other out-of-pocket costs than qualified health plans on the health insurance exchange.]
- [(g)] (e) Establish a capitation rate to be paid to providers that is sufficient to provide coverage, within the authority's legislatively approved budget and available federal resources, but with reimbursement rates that are higher than the [current medical assistance program] reimbursement rates paid to providers in the bridge program developed in accordance with section 5, chapter 29, Oregon Laws 2022, to the extent practicable.
 - [(h) Offer health care coverage through coordinated care organizations and align procurements for

- 1 service providers on the same cycle as the procurements cycle for coordinated care organizations.]
 - [(i) Provide a transition period for eligible individuals to enroll in the bridge program.]
 - [(j) Take into account the health insurance exchange as an option for potential bridge program participants if the participants choose to opt out of the bridge program.]
 - [(k) In addition to using coordinated care organizations to deliver the services in the bridge program, include an option for offering the bridge program on the health insurance exchange if the plans meet criteria established by the Oregon Health Authority and the Department of Consumer and Business Services, to the extent practicable within the authority's legislatively approved budget and available federal resources.]
 - [(L) To the extent practicable, require coordinated care organizations to accept enrollees in the bridge program or require the authority to contract with a new entity to accept bridge program enrollees.]
 - (f) To the extent practicable, include mechanisms to reduce out-of-pocket costs for consumers to below the out-of-pocket costs for qualified health plans offered through the health insurance exchange, prioritizing the reduction in out-of-pocket costs for consumers with incomes at or below 400 percent of the federal poverty guidelines.
 - (g)(A) Include an option that provides coverage for high-value services that are not subject to:
 - (i) Copayments or out-of-pocket expenses; or
 - (ii) Deductibles.

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- (B) As used in this paragraph, "high-value services" includes:
- 22 (i) Primary care services.
 - (ii) Behavioral health services.
 - (iii) Other care or services that have been shown by the medical community, through evidence and research, to provide significant benefit in specific clinical scenarios, as determined by the authority.
 - (h) Require the participation of:
 - (A) Coordinated care organizations that are eligible to offer qualified health plans on the health insurance exchange; and
 - (B) Commercial health insurance carriers that agree to meet the criteria in ORS 414.572.
 - (i) Include networks of participating providers that are:
 - (A) Culturally and linguistically diverse, as prescribed by the authority by rule, in each rating area where the expanded bridge program is offered; and
 - (B) Well positioned to address health equity and reduce health disparities for enrollees in the expanded bridge program.
 - [(9)(a)] (7) The joint task force shall identify potential disruptions [to] and adverse impacts that the expanded bridge program may have on:
 - (a) The individual and small group markets [by the bridge program] and develop mitigation strategies to ensure market stability [including utilizing the Oregon Reinsurance Program or other mechanisms to] and limit disruptions in coverage.
 - [(b) No later than December 31, 2022, the task force shall submit to the Legislative Assembly, in the manner provided in ORS 192.245, recommendations to alleviate disruptions to health care coverage for individuals and small employers in this state.]
 - (b) Oregon Indian tribes and develop strategies for mitigating those impacts.
 - [(10)] (8) A majority of the voting members of the joint task force constitutes a quorum for the

1 transaction of business.

- [(11)] (9) Official action by the **joint** task force requires the approval of a majority of the voting members of the **joint** task force.
- [(12)] (10) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.
- [(13)] (11) The **joint** task force shall meet at times and places specified by the call of the cochairpersons or of a majority of the voting members of the **joint** task force.
- [(14)] (12) The **joint** task force may adopt rules necessary for the operation of the **joint** task force.
 - [(15)] (13) The [Director of the Legislative Policy and Research Office] Oregon Health Authority shall provide staff support to the joint task force.
 - [(16) Members of the Legislative Assembly appointed to the task force are nonvoting members of the task force and may act in an advisory capacity only.]
 - [(17)(a)] (14)(a) Members of the **joint** task force who are not members of the Legislative Assembly and who have incomes at or below 400 percent of the federal poverty guidelines are entitled to compensation for actual and necessary expenses incurred by the members in the performance of their official duties, as provided in ORS 292.495.
 - (b) Members of the **joint** task force who are members of the Legislative Assembly are entitled to a per diem as provided in ORS 171.072 (4).
 - (c) Members not described in paragraph (a) or (b) of this subsection are not entitled to compensation or reimbursement for expenses and serve as volunteers on the **joint** task force.
 - [(18) The authority and the department are directed to assist the task force in the performance of the duties of the task force and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the task force consider necessary to perform their duties.]
 - (15) The joint task force shall engage stakeholders in the development of the comprehensive plan, soliciting input from physicians, health care industry representatives, consumer representatives, individuals who represent health care workers or who work in health care, and individuals working in or representing communities that are diverse with regard to race, ethnicity, immigration status, age, ability, sexual orientation, gender identity or geographic regions of this state and that are affected by higher rates of health disparities and inequities.
 - SECTION 3. (1) To secure federal financial participation in the costs of administering the expanded bridge program developed by the Joint Task Force on Affordable Coverage under section 4, chapter 29, Oregon Laws 2022, the Oregon Health Authority, in collaboration with the Department of Consumer and Business Services and with the approval of the Oregon Health Policy Board by a majority vote, shall request from the Centers for Medicare and Medicaid Services approval for:
 - (a) A waiver for state innovation under 42 U.S.C. 18052;
 - (b) Any other federal approval needed to secure federal financial participation in the costs of the expanded bridge program; and
 - (c) Implementing, by January 1, 2026, a technology platform for a state-based health insurance exchange to perform the functions described in 42 U.S.C. 18031(d)(4).
 - (2) Upon receipt of the necessary approval from the Centers for Medicare and Medicaid Services, the authority shall begin the implementation of the expanded bridge program.
 - (3) The authority, in collaboration with the department, shall take all steps necessary to

- ensure that health insurance plans in the expanded bridge program are available on the state-based exchange no later than the start of open enrollment on the state-based exchange. The authority shall notify the Centers for Medicare and Medicaid Services of the authority's intent to transition to the use of a state-based technology platform at least 14 months prior to the beginning of the state-based exchange's first open enrollment. The authority may exercise any powers necessary to administer the health insurance exchange and outreach and enrollment assistance programs.
 - (4) No later than December 31, 2024, the authority shall provide a report, in the manner provided in ORS 192.245, to the interim committees of the Legislative Assembly related to health, the subcommittee of the Joint Interim Committee on Ways and Means related to human services, the President of the Senate, the Speaker of the House of Representatives and the Legislative Fiscal Officer, containing:
 - (a) The comprehensive plan for implementation of the expanded bridge program that ensures that the program is available to Oregonians of all income levels and those purchasing health insurance plans on the small group market by January 1, 2029, while prioritizing cost-sharing assistance for Oregonians with incomes at or below 400 percent of the federal poverty guidelines in the initial years of the program;
 - (b) Details of the applications for and receipt of federal approvals; and
 - (c) Recommended or needed, if any, legislative changes or budgetary actions.
 - **SECTION 4.** Section 4, chapter 29, Oregon Laws 2022, as amended by section 2 of this 2023 Act, is amended to read:
- 22 **Sec. 4.** [(1) The Joint Task Force on Affordable Coverage is established.]
- 23 [(2) The joint task force shall consist of the following members:]
- [(a) The President of the Senate shall appoint three nonvoting members from among members of the Senate.]
- [(b) The Speaker of the House of Representatives shall appoint three nonvoting members from among members of the House of Representatives.]
 - [(c) The Governor shall appoint the following members:]
 - [(A) One member representing low-income workers who are likely to be eligible for the expanded bridge program implemented in accordance with this section.]
 - [(B) Two members with expertise in health equity.]
- 32 [(C) One member with expertise in providing navigation assistance for health insurance 33 consumers.]
- 34 [(D) One member representing organized labor.]

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- 35 [(E) One member representing an insurer that offers qualified health plans on the health insurance 36 exchange.]
 - [(F) One member representing a coordinated care organization.]
- [(G) In addition to the members described in subparagraphs (H) and (I) of this paragraph, two members representing health care providers, one of whom represents a hospital or health system.]
 - [(H) One member with expertise in behavioral health care.]
- [(I) One member representing an oral health care provider that contracts with the Oregon Health
 Authority to provide care to enrollees in the bridge program developed in accordance with section 5,
 chapter 29, Oregon Laws 2022.]
 - [(J) A representative of the Medicaid Advisory Committee.]
- 45 [(K) A representative of the Health Insurance Exchange Advisory Committee.]

- 1 [(L) One member from one of Oregon's nine federally recognized Indian tribes.]
- 2 [(M) One member representing health care consumers.]

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- 3 [(N) One member representing small businesses that offer employer-sponsored health insurance to 4 their employees.]
 - [(O) A representative of the Oregon Racial Justice Council.]
- 6 [(d) The chairperson of the Oregon Health Policy Board or the chairperson's designee.]
 - [(e) The Director of the Oregon Health Authority or the director's designee.]
 - [(f) The Director of Human Services or the director's designee.]
- 9 [(g) The Director of the Department of Consumer and Business Services or the director's designee.]
- 11 [(3) The Governor shall select two of the nonvoting members of the joint task force to serve as 12 cochairpersons.]
 - [(4) The joint task force shall create a comprehensive plan to carry out the goal of the Legislative Assembly expressed in section 1 of this 2023 Act by implementing, no later than January 1, 2029,]
 - (1) The Oregon Health Authority shall administer an expanded bridge program to provide affordable health insurance coverage to and improve the continuity of coverage for individuals with incomes above 200 percent of the federal poverty guidelines and small employers, using a waiver for state innovation under 42 U.S.C. 18052.
 - [(5) The authority and the Department of Consumer and Business Services shall consult with Oregon Indian tribes during the deliberations of the joint task force and incorporate tribal recommendations into the comprehensive plan created under subsection (4) of this section.]
 - [(6)] (2) The [comprehensive plan for an] expanded bridge program must, within available federal resources and the authority's legislatively approved budget:
 - (a) Prioritize health equity and reduce the number of individuals who are uninsured and underinsured in this state, particularly people that have faced health inequities.
 - (b) Be consistent with the Oregon Integrated and Coordinated Health Care Delivery System established in ORS 414.570 and enhance the coordinated care organization delivery system.
 - (c) Maximize leveraging of federal funds and minimize costs to enrollees in the program and to the state budget.
 - (d) Provide, at a minimum, all essential health benefits, as defined in ORS 731.097 and, to the extent practicable, an option or options for dental coverage.
 - (e) Establish a capitation rate to be paid to providers that is sufficient to provide coverage, within the authority's legislatively approved budget and available federal resources, but with reimbursement rates that are higher than the reimbursement rates paid to providers in the bridge program developed in accordance with section 5, chapter 29, Oregon Laws 2022, to the extent practicable.
 - (f) To the extent practicable, include mechanisms to reduce out-of-pocket costs for consumers to below the out-of-pocket costs for qualified health plans offered through the health insurance exchange, prioritizing the reduction in out-of-pocket costs for consumers with incomes at or below 400 percent of the federal poverty guidelines.
 - (g)(A) Include an option that provides coverage for high-value services that are not subject to:
 - (i) Copayments or out-of-pocket expenses; or
 - (ii) Deductibles.
 - (B) As used in this paragraph, "high-value services" includes:
- 45 (i) Primary care services.

(ii) Behavioral health services.

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- 2 (iii) Other care or services that have been shown by the medical community, through evidence and research, to provide significant benefit in specific clinical scenarios, as determined by the authority. 4
 - (h) Require the participation of:
 - (A) Coordinated care organizations that are eligible to offer qualified health plans on the health insurance exchange; and
 - (B) Commercial health insurance carriers that agree to meet the criteria in ORS 414.572.
 - (i) Include networks of participating providers that are:
 - (A) Culturally and linguistically diverse, as prescribed by the authority by rule, in each rating area where the expanded bridge program is offered; and
 - (B) Well positioned to address health equity and reduce health disparities for enrollees in the expanded bridge program.
 - [(7) The joint task force shall identify potential disruptions and adverse impacts that the expanded bridge program may have on:]
 - [(a) The individual and small group markets and develop mitigation strategies to ensure market stability and limit disruptions in coverage.]
 - [(b) Oregon Indian tribes and develop strategies for mitigating those impacts.]
 - [(8) A majority of the voting members of the joint task force constitutes a quorum for the transaction of business.]
 - [(9) Official action by the joint task force requires the approval of a majority of the voting members of the joint task force.]
 - [(10) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.]
 - [(11) The joint task force shall meet at times and places specified by the call of the cochairpersons or of a majority of the voting members of the joint task force.]
 - [(12) The joint task force may adopt rules necessary for the operation of the joint task force.]
 - [(13) The Oregon Health Authority shall provide staff support to the joint task force.]
 - [(14)(a) Members of the joint task force who are not members of the Legislative Assembly and who have incomes at or below 400 percent of the federal poverty guidelines are entitled to compensation for actual and necessary expenses incurred by the members in the performance of their official duties, as provided in ORS 292.495.1
 - [(b) Members of the joint task force who are members of the Legislative Assembly are entitled to a per diem as provided in ORS 171.072 (4).]
 - [(c) Members not described in paragraph (a) or (b) of this subsection are not entitled to compensation or reimbursement for expenses and serve as volunteers on the joint task force.]
 - [(15) The joint task force shall engage stakeholders in the development of the comprehensive plan, soliciting input from physicians, health care industry representatives, consumer representatives, individuals who represent health care workers or who work in health care, and individuals working in or representing communities that are diverse with regard to race, ethnicity, immigration status, age, ability, sexual orientation, gender identity or geographic regions of this state and that are affected by higher rates of health disparities and inequities.]
 - SECTION 5. Section 12, chapter 29, Oregon Laws 2022, is amended to read:
- Sec. 12. Sections 1 to [4 of this 2022 Act] 3, chapter 29, Oregon Laws 2022, are repealed on 44 January 2, 2024. 45

1	SECTION 6. Sections 1 and 3 of this 2023 Act are repealed.
2	SECTION 7. (1) The amendments to section 4, chapter 29, Oregon Laws 2022, by section
3	4 of this 2023 Act become operative upon receipt of the federal approvals described in section
4	3 (1) of this 2023 Act.
5	(2) The repeal of sections 1 and 3 of this 2023 Act by section 6 of this 2023 Act becomes
6	operative upon receipt of the federal approvals described in section 3 (1) of this 2023 Act of
7	upon the denial of the requests for federal approvals described in section 3 (1) of this 2023
8	Act.
9	SECTION 8. Section 4, chapter 29, Oregon Laws 2022, is repealed on January 2, 2030.
10	SECTION 9. The repeal of section 4, chapter 29, Oregon Laws 2022, by section 8 of this
11	2023 Act, becomes operative upon the denial of the requests for federal approvals described
12	in section 3 (1) of this 2023 Act.