HB 4091 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 2/5

WHAT THE MEASURE DOES:

The measure establishes the Health Insurance Mandate Review Advisory Committee (HIMRAC). It specifies representation to be appointed by the President of the Senate and Speaker of the House. The measure permits a chair or vice chair of an interim committee of the Legislative Assembly related to health care to submit proposed legislative measures that mandate health insurance coverage to HIMRAC for review. It requires HIMRAC to develop and implement a process for reviewing and producing a report that complies with statutory requirements for documenting a prosed measures potential social and financial effects. The measure requires the Legislative Policy and Research Office (LPRO) Director to provide staff support to HIMRAC. It also requires LPRO to collect and compile data needed by HIMRAC to analyze proposed measure no later than January 15 of the year in which the proposed measure may be introduced or 15 days after the date that the review was requested, whichever is later. It requires the LPRO Director, in collaboration with the Director of the Department of Consumer and Business Services and HIMRAC on implementation of HIMRAC and recommendations for improving the required health insurance mandate review process by December 31, 2026. Sunsets on June 20, 2027. Takes effect on 91st days following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

As with other forms of insurance, people obtain health insurance to protect themselves against significant future potential costs. Health insurance can be provided by governments (e.g., Medicare and Medicaid) or the private sector (e.g., employer-sponsored and individual market coverage). While the 1945 McCarran-Ferguson Act established states as the primary regulators of the business of insurance, overlapping federal laws like the Employee Retirement Income Security Act of 1974 (ERISA; P.L. 93-406), the Health Insurance Portability and Accountability Act of 1996 (HIPAA; P.L. 104-191), and the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended) complicate the regulation of health insurance. For example, ERISA outlines federal minimum standards for employer-sponsored health insurance that is self-funded and preempts state regulation of those plans, thereby largely limiting state regulation of private sector health insurance to the small group and individual markets.

State regulation of health insurance can take many forms, including mandates related to persons covered (e.g., coverage of dependents or certain conditions), provider types, and services. With insurance working by spreading risk across a coverage group, the introduction of new state mandates on health insurance has implications for the cost of that coverage. Since 1985, Oregon law has required that every proposed piece of legislation mandating health insurance coverage be accompanied by a report assessing both the social and financial effects of the coverage, including the efficacy of the treatment or service proposed (ORS 171.870 - 171.880).