



Legislative Fiscal Office  
83<sup>rd</sup> Oregon Legislative Assembly  
2025 Regular Session

Prepared by: MaryMichelle Sosne  
Reviewed by: Emily Coates, Matt Stayner  
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**Bill Title:** Relating to medical devices; declaring an emergency.

**Government Unit(s) Affected:** Oregon Health Authority, Department of Consumer and Business Services

### Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ 6,185,676	\$ -	\$ 6,185,676	-	-
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,185,676</b>	<b>\$ -</b>	<b>\$ 6,185,676</b>	<b>-</b>	<b>-</b>

  

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ 12,340,193	\$ -	\$ 12,340,193	-	-
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,340,193</b>	<b>\$ -</b>	<b>\$ 12,340,193</b>	<b>-</b>	<b>-</b>

- Legislation resulting in an impact on revenues or expenditures related to the health care benefits provided by the Public Employees' Benefit Board (PEBB) or the Oregon Educators' Benefit Board (OEBB) will impact the General Fund because premium revenue is partially financed with General Fund paid by state agencies, school districts, education service districts, community colleges, some charter schools, and several local governments.

### Measure Description

The measure modifies current health insurance coverage of prosthetic and orthotic devices. Health insurance providers must provide, repair, and replace prosthetic or orthotic devices deemed medically necessary to restore or maintain the ability to complete activities of daily living, perform essential job-related duties, or to perform physical activities and maximize whole-body health. The measure prohibits health plans from denying coverage of prosthetic and orthotic devices for individuals with limb loss or absence if a benefit would be covered for medical or surgical intervention for a person without limb loss or absence. The measure applies to health policies and certificates issued, renewed, or extended on or after January 1, 2026.

### Fiscal Analysis

The expansion of coverage for health benefit plans may be considered a new mandate under the Patient Protection and Affordable Care Act. This Act requires states to offset the cost of required benefits for plans issued through the health insurance marketplace. Federal guidance does not clarify whether these offsets must be paid out of the General Fund or from other state funds such as marketplace assessment funds. If coverage of these services is considered a new mandate, the bill may have a fiscal impact for the state.

Changes to the list of required services that health benefit plans must cover will impact the premiums for employee health plans offered by the Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEBB), which are housed in the Oregon Health Authority (OHA). While the health care coverage offered

in each program is budgeted as Other Funds, the corresponding revenue largely comes from the premiums paid by state agencies and universities for PEBB's plans and the K-12 school system for OEGB's plans. State agencies finance PEBB's premium payments from the revenue streams available in their budgets, including the General Fund.

The measure broadens the current coverage of prosthetic and orthotic devices from those that are medically necessary for the daily activities of living and essential job-related activities to include devices that are medically necessary and the most appropriate to ensure whole-body health. This expansion of coverage is estimated to cost \$6.2 million Other Funds in 2025-27 and \$12.3 million in 2027-29. For OEGB, this change would affect policies issued on or after October 1, 2026, and result in an increase of \$3.1 million in 2025-27 (9 months) and \$8.2 million Other Funds in 2027-29 (24 months). For PEBB, this change would affect policies issued on or after January 1, 2026, and result in an increase of \$3.1 million Other Funds in 2025-27 (18 months) and \$4.2 million in 2027-29 (24 months). The projected cost for PEBB only includes two of three carriers, Moda and Kaiser. The projected cost for the remaining carrier, Providence, is indeterminate at this time.

The measure has a minimal impact on the Department of Consumer and Business Services.

**Relevant Dates**

The measure takes is applies to health insurance policies or certificates issued, renewed, or extended on or after January 1, 2026.