

SB 1206 with -1 Amendment

HB 2391-2017

Revenue Impact (in \$Millions): (1) Oregon Health Plan

	Biennium	
	2017-19	2019-21
(A) Revenue to the Health System Fund	\$251.0	\$197.7
Transfer from Health Exchange Insurance Fund	\$7.0	
Transfer from Oregon Medical Insurance Pool	\$50.0	
Assessment on Insurers	\$78.0	\$116.7
Assessment on PEBB	\$12.0	\$4.0
Assessment on MCO	\$104.0	\$77.0
(B) Hospital Assessment	\$249.0	\$182.0
Additional Assessment on Specified Hospitals	\$126.0	
Assessment on Type A and Type B Rural Hospitals	\$123.0	\$182.0
(C) OHSU Intergovernmental Transfer	\$105.0	\$140.0
Total Revenue (A + B + C)	\$605.0	\$519.7

Source: Oregon Health Authority, Oregon Department of Consumer and Business Services

Impact Explanation: This analysis focuses on new and additional revenues as well as specified transfers. Federal matches and shifts of funds from one purpose to another are addressed in the fiscal impact statement by the Legislative Fiscal Office.

Average price for a silver plan with no tax credits on the Exchange in Oregon in 2017 in the PDX Market was **\$302.00 per month.***

The tax on insurance premiums was **1.5%**.

*Source: <https://www.kff.org/report-section/analysis-of-2017-premium-changes-and-insurer-participation-in-the-acas-health-insurance-marketplaces-issue-brief/>

HB 2010 (2019) Insurance Taxes-Estimated

Revenue Impact (in \$Millions):

(1) Oregon Health Plan

	Biennium	
	2019-21	2021-23
(A) Insurer Tax	\$152.5	\$325.1
Assessment on Insurers	\$131.3	\$291.6
Assessment on PEBB	\$17.2	\$29.0
Assessment on Stop-Loss	\$4.0	\$4.5
(B) Assessment on MCO	\$182.0	\$254.0
(C) Hospital Assessment	\$0.0	\$1,232.2
Assessment on DRG Hospitals	\$0.0	\$1,072.2
Assessment on Type A and Type B Rural Hospitals	\$0.0	\$160.0
Total Revenue (A + B + C)	\$334.5	\$1,811.3

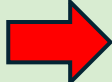
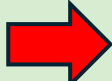
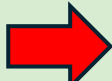
Source: Oregon Health Authority, Oregon Department of Consumer and Business Services

A 2% tax on commercial health insurance premiums for \$291.6 million means that the total value of the premiums was estimated to be worth \$14.58 billion to insurance companies.

HB 5045-A (2023) Budget Reconciliation-Reality

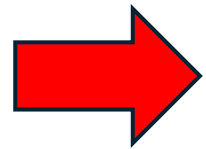
- **Insurer Taxes:** Insurer tax revenue is...

 **Lower than initially projected for OHA's budget by \$48 million**

- Based on the Department of Consumer and Business Services revenue projections, whereas the **CCO assessment is higher by \$37 million due to the increasing OHP caseload.**
- Based on these changes, which have offsetting adjustments for how the OHP caseload is funded, the **Subcommittee approved** an
 -  **Increase of \$21.6 million General Fund,**
 -  **A reduction of \$11.4 million Other Funds,**
 -  **An increase of \$26.7 million Federal Funds**To reflect the new estimates.

Estimated **Premium Loss** in 2021-2023 Biennium

$$\text{Premium Decline} = \frac{\text{Tax Revenue Decline}}{\text{Tax Rate}} = \frac{48}{0.02} = 2,400 \text{ million} = \$2.4 \text{ billion}$$



\$2.4 BILLION DOLLAR LOSS

**BY COMMERCIAL
INSURANCE CARRIERS**

HB 2010 (2025) Estimates:

Revenue Impact (in \$Millions):
(1) Oregon Health Plan

	Biennium	
	2025-27	2027-29
(A) Insurers Assessment (to the Health System Fund)	\$ 210.5	\$ 803.1
Assessment on Commercial Health Insurance Plans	\$ 76.7	\$ 326.0
Assessment on PEBB/OEBB	\$ 8.1	\$ 43.0
Assessment on Stop-Loss	\$ 1.4	\$ 5.1
Assessment on Managed Care Organizations (MCO)	\$ 124.3	\$ 429.0
(B) Hospital Assessment (to the Hospital Quality Assurance Fund)	\$ 2,015.5	\$ 2,544.3
Assessment on DRG Hospitals	\$ 1,703.4	\$ 2,130.3
Assessment on Type A and Type B Hospitals	\$ 312.1	\$ 414.0
Total Revenue (A + B)	\$ 2,226.0	\$ 3,347.4

- Estimated 2027-29 biennium revenue on commercial insurance is a **\$34.4M increase** in revenue from 2021-23.
- This reflects a **Projected Difference of \$82.4M More Actually Needed** than what was **Actually Collected** in the 2021-2023 biennium.

Year Over Year Oregon Commercial Rate Increases:

**80% rate
increase in
the Small
Group
market**

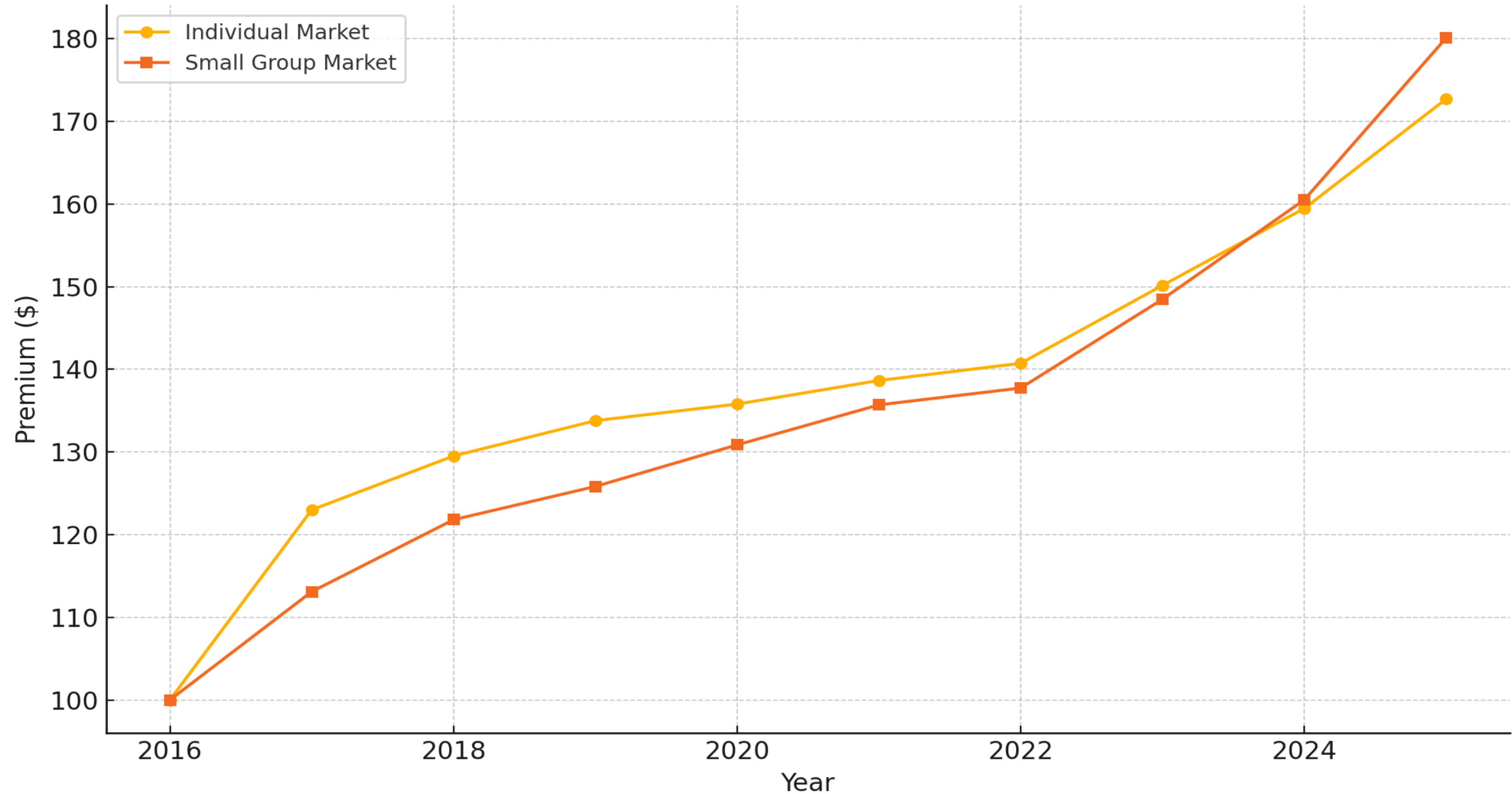
**72% rate
increase
the
Individual
Market**

Since 2017:

Oregon's individual and small group markets from 2017 through 2025, as finalized by the Oregon Division of Financial Regulation (DFR):

Year	Individual Market Avg. Change	Small Group Market Avg. Change	Source
2025	+8.3%	+12.2%	DFR Final 2025 Rates
2024	+6.2%	+8.1%	DFR Final 2024 Rates
2023	+6.7%	+7.8%	DFR Final 2023 Rates
2022	+1.5%	+1.5%	DFR Final 2022 Rates
2021	+2.1%	+3.7%	DFR Final 2021 Rates
2020	+1.5%	+4.0%	DFR Final 2020 Rates
2019	+3.3%	+3.3%	DFR Final 2019 Rates
2018	+5.3%	+7.7%	DFR Final 2018 Rates
2017	+23.0%	+13.1%	DFR Final 2017 Rates

Oregon Health Insurance Premium Growth (2016-2025)

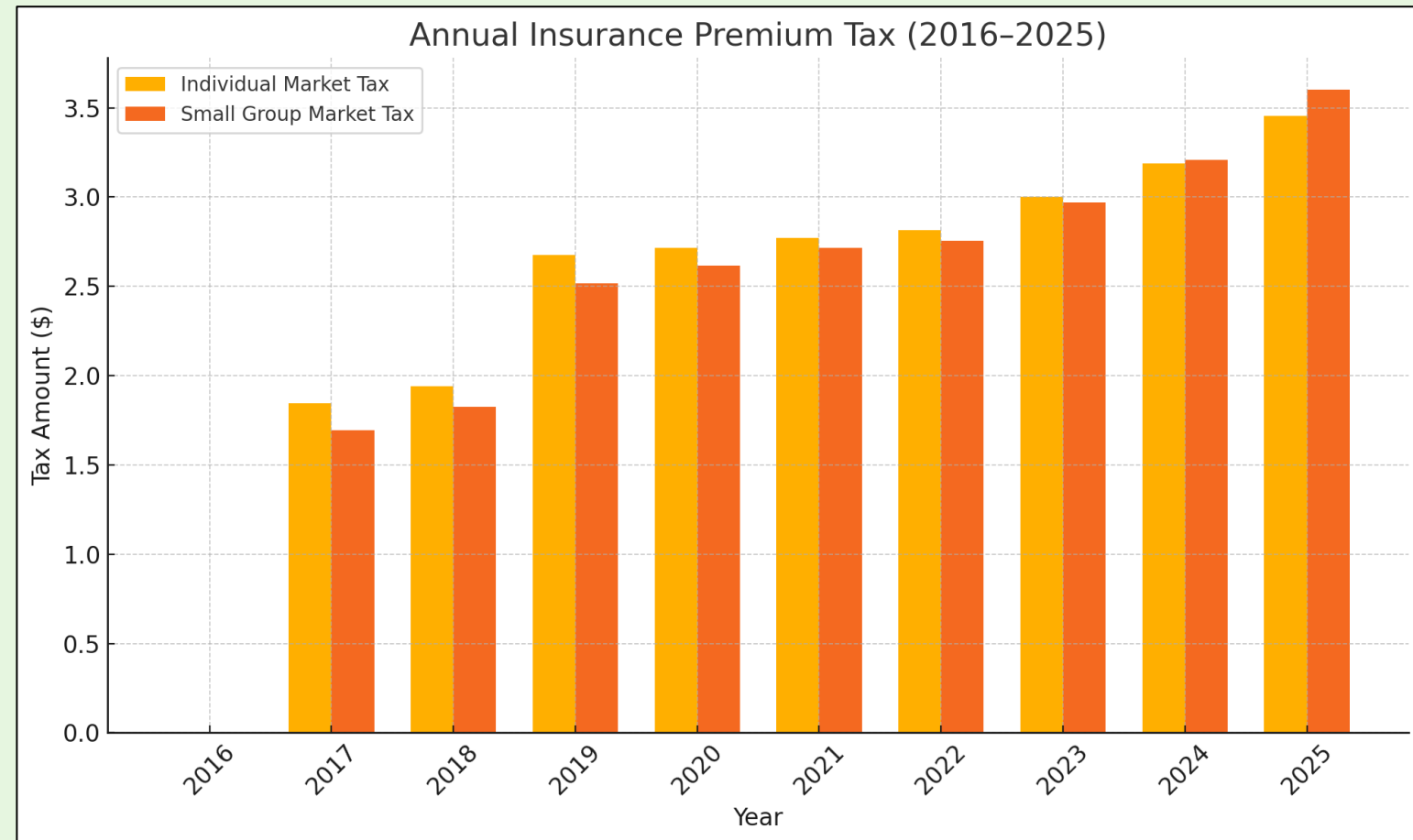


Insurance Premium Taxes Compounded with the Increase in Commercial Plan Costs

Since HB 2391 (2017):

➔ **133% Increase per \$100**
in premium tax for
individuals

➔ **140% Increase per \$100**
in premium tax for small
group purchasers



Individual Market Participation: 2017 vs. 2024

2017 Individual ACA Compliant* Plan Enrollment	As of 12/31/2017		
	On Exchange	Off Exchange	Total
Atrio Health Plans, INC.	6,596	2,008	8,604
Bridgespan Health Company	8,129	-	8,129
Health Net Health Plan of Oregon, INC.	-	416	416
Kaiser Foundation Health Plan of the NW	25,834	11,512	37,346
MODA Health Plan, INC.	12,471	7,332	19,803
PacificSource Health Plans	7,396	3,012	10,408
Providence Health Plan	58,840	31,424	90,264
Regence Bluecross Blueshield of Oregon	-	16,467	16,467
Zoom Health Plan, INC.	-	458	458
Totals	119,266	72,629	191,895

*ACA Compliant enrollment excludes enrollment reported as Grandfathered

2024 Individual ACA Compliant* Plan Enrollment	As of 12/31/2024		
	On Exchange	Off Exchange	Total
Bridgespan Health Company	238	-	238
HCSC, A Mutual Legal Reserve Company		30	30
Kaiser Foundation Health Plan of the NW	24,619	6,189	30,808
MODA Health Plan, INC.	23,947	3,866	27,813
PacificSource Health Plans	17,065	6,661	23,726
Providence Health Plan	31,738	9,250	40,988
Regence Bluecross Blueshield of Oregon	29,404	4,853	34,257
Totals	127,011	30,849	157,860

*ACA Compliant enrollment excludes enrollment reported as Grandfathered

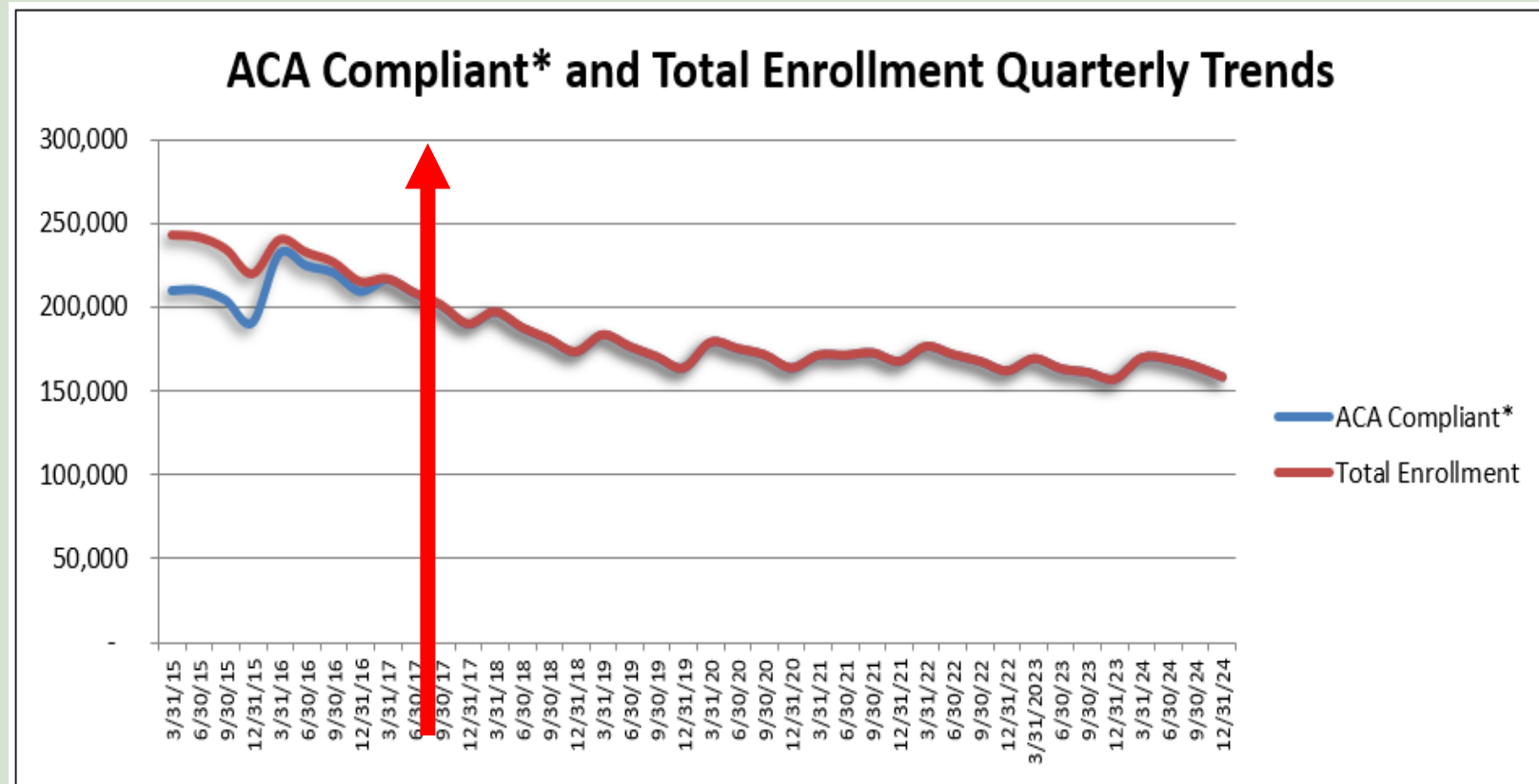
Insurance Carriers:

-2

Individual
Purchasers:

-34,035 or -17.74%

All Individual Market Participation: 2015 to 2024



June 30, 2017: 208,404
December 31, 2024: 157,949

Difference:
-50,455 Lives Covered or -24.2%

Small Group Participation: 2017 vs. 2024

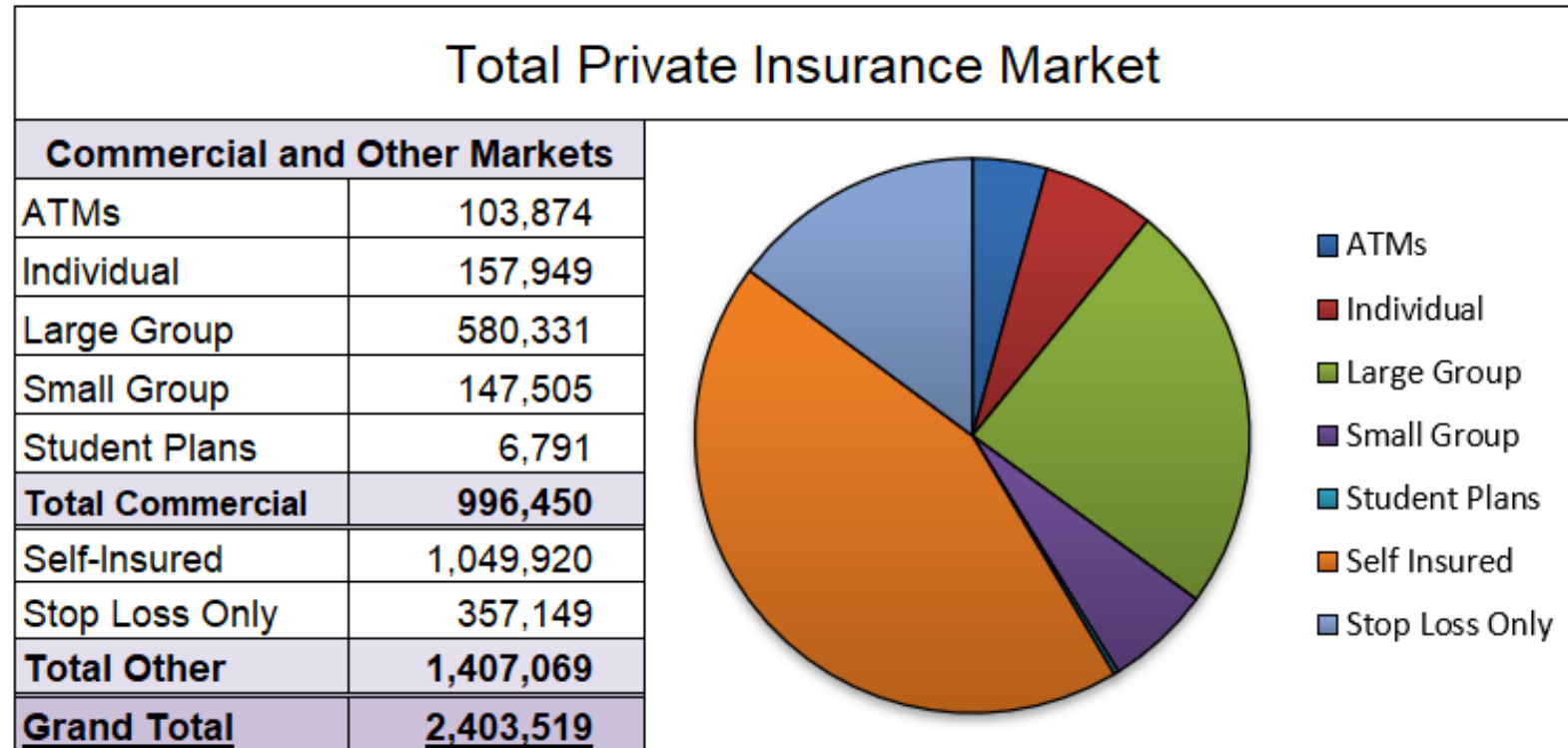
2017 Small Group ACA Compliant* Plan Enrollment	As of 12/31/2017		
	On Exchange	Off Exchange	Total
Aetna Life Insurance Company	-	340	340
Atrio Health Plans, Inc.	25	84	109
Health Net Health Plan of Oregon, Inc.	-	6,721	6,721
Humana Health Plan Inc	-	3	3
Kaiser Foundation Health Plan of the NW	6	25,189	25,195
Lifewise Health Plan Of Oregon Inc.	-	-	-
Moda Health Plan, Inc.	-	5,587	5,587
PacificSource Health Plans	687	10,272	10,959
Providence Health Plan	216	70,901	71,117
Regence Bluecross Blueshield of OR	-	36,459	36,459
Samaritan Health Plans, Inc.	-	198	198
UnitedHealthcare Insurance Co	-	14,890	14,890
UnitedHealthcare Life Insurance Co	10	-	10
Zoom Health Plan, Inc.	3	64	67
Totals	947	170,708	171,655

Insurance Carriers: Same

Individual Purchasers: -24,253 or -14.13%

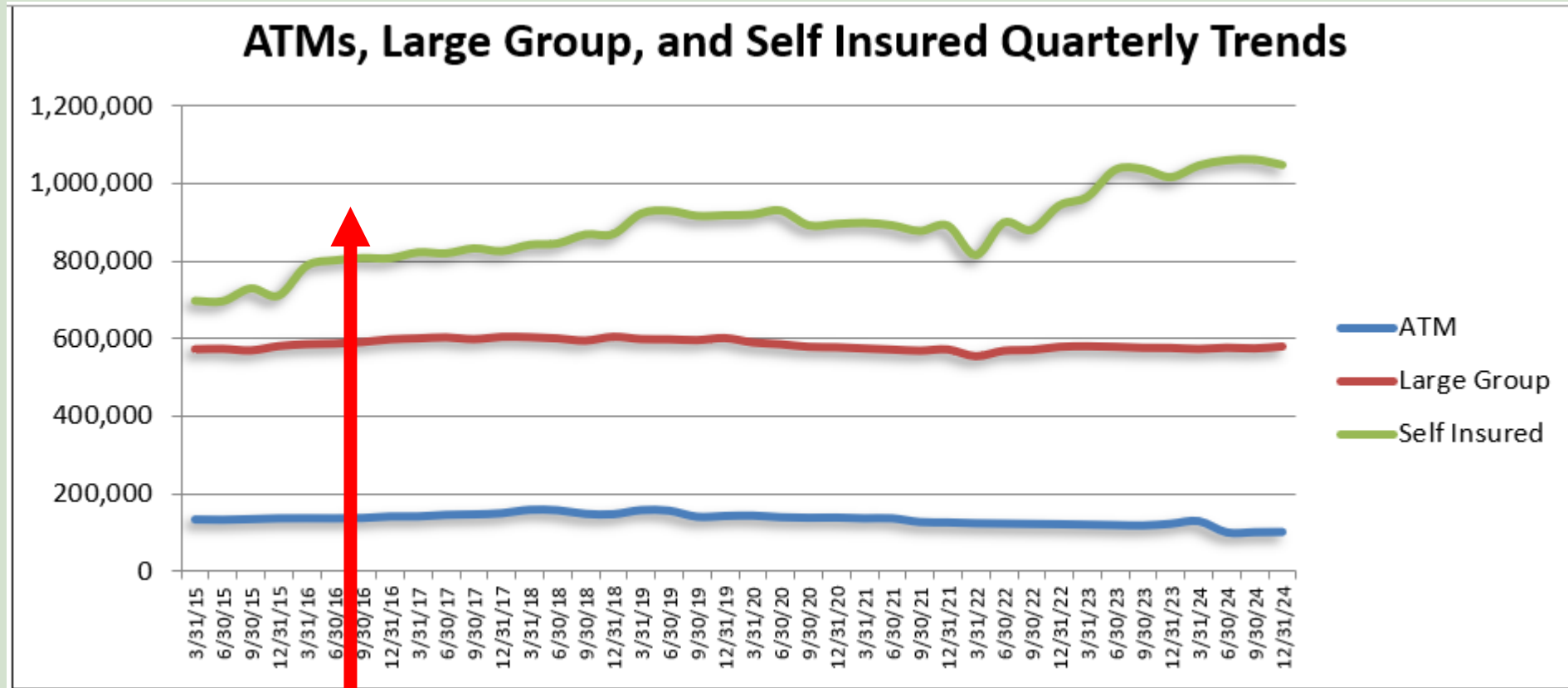
2024 Small Group ACA Compliant* Plan Enrollment	As of 12/31/2024		
	On Exchange	Off Exchange	Total
Aetna Life Insurance Company		123	123
Cigna Health And Life Ins Co		157	157
Health Net Health Plan of Oregon, Inc.		3,132	3,132
Humana Insurance Company			-
Kaiser Foundation Health Plan of the NW		23,878	23,878
Kaiser Permanente Ins Co		29	29
Moda Health Plan, Inc.		10,324	10,324
PacificSource Health Plans	825	10,118	10,943
Providence Health Plan	1,480	38,549	40,029
Regence Bluecross Blueshield of OR		50,804	50,804
Samaritan Health Plans, Inc.			-
Sierra Health and Life Ins Co, Inc.		14	14
UnitedHealthcare Insurance Co		7,979	7,979
UnitedHealthcare Life Insurance Co			-
Totals	2,305	145,107	147,412

Large Group and Self-Insured Plans: Current



Since 2017:
Large Group is Flat Growth
Self insured has overtaken the Commercial Market

Post HB 2391 in Self-Insured Coverage:



229,000 Lives Increase

(-23,847 in Large Group)

SB 1206 with -1

- Reduces hard taxes on insurance premiums and replaces the 2% premium tax with any increase funds from IGT agreements when IGTs generate more revenue from hospitals.
- **Creates a task force to study the following:**
 - **Evaluate other provider types** as allowed by CMS to **determine how we can spread the risk borne by hospitals** as the lion's share payer of provider taxes for Medicaid.
 - **Evaluate adding a tax to ERISA plans** to help spread the total cost of Medicaid's burden amongst all payer types.
 - **Evaluate** and **possibly seek a waiver from CMS to move Medicaid participants into the Exchange.**
- **Allows the task force members to vote to direct OHA to prepare the waiver request if this option is pursued.**

Task Force Topic 1: Provider Assessments

Oregon has relied on hospitals since 2003

- ❖ **Inpatient hospital** services
- ❖ **Outpatient hospital** services
- ❖ **Nursing facility services** (excluding intermediate care facilities for individuals with intellectual disabilities)
- ❖ Intermediate care facility services for individuals with intellectual disabilities
- ❖ Physician services
- ❖ Home Health Care services
- ❖ Outpatient prescription drugs
- ❖ **Services of managed care organizations** (including HMOs and PPOs)
- ❖ Ambulatory surgical center services
- ❖ Dental services
- ❖ Podiatric services
- ❖ Chiropractic services
- ❖ Optometric/optician services
- ❖ Psychologist services
- ❖ Clinical laboratory services
- ❖ Community mental health center services
- ❖ Substance use disorder treatment services
- ❖ **Emergency ambulance** services
- ❖ Other health care items or services not listed above, provided the state has enacted a licensing or certification fee that meets federal requirements

Task Force Topic 2 : ERISA Assessments

Self-Insurance Institute of America, Inc. v. Snyder, 827 F.3d 549 (6th Cir. 2016)

Six Circuit Holding:

- ➔ **ERISA did not preempt a Michigan state law levying a Medicaid tax on insurers.**
- ➔ **1% tax on ERISA covered plans was incidental to the plan, not administrative, therefore, didn't preempt employers under ERISA**
- ➔ **Since repealed and replaced with a flat member-per-month model assessment (including on ERISA plans) the tax doesn't compound on end-user payers \$1.20 per life on plans with federal funds; \$2.40 per life on plans with no federal funds**

Task Force Topic 3: CMS Waiver to Exchange

OHA Budget reconciled to **\$37 billion for 2023-25 biennium.**

- **1,440,079 enrollees** as of March 2025
- **\$25,693 biennial cost for every man, woman and child on OHP**
- **Oregon trying to move again to a state exchange**
 - **Could solve redetermination issues** that cost Oregon millions in overpaid benefits
 - **Could open up CCO plans to non-Medicaid purchasers** to encourage individual market participation at a lower cost
 - **Could seek to blend Medicaid costs with exchange tax credits**
 - Mom with 2 kids in a Silver plan in PDX subsidized with tax credits is under \$10,000 per year + any out-of-pocket costs to be covered (capped by ACA).
 - **Could help balance payer mixes and risk pools, and lead to better provider payments**