

SB 1206-1
(LC 4850)
4/29/25 (EKJ/ps)

Requested by Senator HAYDEN

**PROPOSED AMENDMENTS TO
SENATE BILL 1206**

1 On page 1 of the printed bill, line 2, after “care” insert “; creating new
2 provisions; amending ORS 414.880 and sections 3 and 5, chapter 538, Oregon
3 Laws 2017; and declaring an emergency”.

4 Delete lines 4 through 8 and insert:

5 **“SECTION 1.** Section 3, chapter 538, Oregon Laws 2017, as amended by
6 section 4, chapter 2, Oregon Laws 2019, is amended to read:

7 **“Sec. 3.** (1) As used in this section:

8 “(a) ‘Insured’ means an eligible employee or family member, as defined in
9 ORS 243.105, who is enrolled in a self-insured health benefit plan under ORS
10 243.105 to 243.285.

11 “(b) ‘Premium equivalent’ means a claim for reimbursement of the cost
12 of a health care item or service provided to an insured, other than a dental
13 or vision care item or service, and the administrative costs associated with
14 the claim.

15 “(2) No later than 45 days following the end of a calendar quarter, the
16 Public Employees’ Benefit Board shall pay an assessment [*at the rate of two*
17 *percent*] on the gross amount of premium equivalents received during the
18 calendar quarter. **The rate of assessment shall be the lesser of:**

19 **“(a) Two percent; or**

20 **“(b) Two percent reduced by an amount that takes into account any**
21 **increase in hospital assessments received by the Oregon Health Au-**

1 **thority under ORS 414.855 due to a material change transaction, as**
2 **defined in ORS 415.500, approved on or after the effective date of this**
3 **2025 Act.**

4 “(3) The assessment shall be paid to the Department of Consumer and
5 Business Services and shall be accompanied by a verified report, on a form
6 prescribed by the department, together with any information required by the
7 department.

8 “(4) The assessment imposed under this section is in addition to and not
9 in lieu of any tax, surcharge or other assessment imposed on the board.

10 “(5) If the department determines that the assessment paid by the board
11 under this section is incorrect, the department shall charge or credit to the
12 board the difference between the correct amount of the assessment and the
13 amount paid by the board.

14 “(6) The board is entitled to notice and an opportunity for a contested
15 case hearing under ORS chapter 183 to contest an action of the department
16 taken pursuant to subsection (5) of this section.

17 “(7) Moneys received by the department under this section shall be paid
18 into the State Treasury and credited to the Health System Fund established
19 under section 2, chapter 538, Oregon Laws 2017.

20 **“SECTION 2.** Section 5, chapter 538, Oregon Laws 2017, as amended by
21 section 6, chapter 2, Oregon Laws 2019, is amended to read:

22 **“Sec. 5.** (1) As used in this section:

23 “(a) ‘Gross amount of premiums’ has the meaning given that term in ORS
24 731.808.

25 “(b) ‘Health plan’ means:

26 “(A) A health benefit plan as defined in ORS 743B.005; and

27 “(B) Insurance described in ORS 742.065.

28 “(2) No later than 45 days following the end of a calendar quarter, an
29 insurer shall pay an assessment [*at the rate of two percent of*] **on** the gross
30 amount of premiums earned by the insurer during that calendar quarter that

1 were derived from health plans delivered or issued for delivery in Oregon.

2 **The rate of assessment shall be the lesser of:**

3 **“(a) Two percent; or**

4 **“(b) Two percent reduced by an amount that takes into account any**
5 **increase in hospital assessments received by the Oregon Health Au-**
6 **thority under ORS 414.855 due to a material change transaction, as**
7 **defined in ORS 415.500, approved on or after the effective date of this**
8 **2025 Act.**

9 **“(3) The assessment shall be paid to the Department of Consumer and**
10 **Business Services and shall be accompanied by a verified form prescribed by**
11 **the department together with any information required by the department,**
12 **that reports:**

13 **“(a) All health plans issued or renewed by the insurer during the calendar**
14 **quarter for which the assessment is paid; and**

15 **“(b) The gross amount of premiums by line of insurance, derived by the**
16 **insurer from all health plans issued or renewed by the insurer during the**
17 **calendar quarter for which the assessment is paid.**

18 **“(4) The assessment imposed under this section is in addition to and not**
19 **in lieu of any tax, surcharge or other assessment imposed on an insurer.**

20 **“(5) Any rate filed for the department’s approval may include amounts**
21 **paid by the insurer under this section as a valid element of administrative**
22 **expense or retention.**

23 **“(6) Moneys received by the department under this section shall be paid**
24 **into the State Treasury and credited to the Health System Fund established**
25 **under section 2, chapter 538, Oregon Laws 2017.**

26 **“SECTION 3. ORS 414.880 is amended to read:**

27 **“414.880. (1) As used in this section and ORS 414.882 and 414.902:**

28 **“(a) ‘Managed care organization’ means:**

29 **“(A) A coordinated care organization as defined in ORS 414.025; and**

30 **“(B) A prepaid managed care health services organization as defined in**

1 ORS 414.025.

2 “(b) ‘Premium equivalent’ means the payments made to the managed care
3 organization by the Oregon Health Authority for providing health services
4 under ORS chapter 414.

5 “(2) No later than 45 days following the end of a calendar quarter, a
6 managed care organization shall pay an assessment [*at a rate of two percent*
7 *of*] **on** the gross amount of premium equivalents received during that calen-
8 dar quarter. **The rate of assessment shall be the lesser of:**

9 **“(a) Two percent; or**

10 **“(b) Two percent reduced by an amount that takes into account any**
11 **increase in hospital assessments received by the Oregon Health Au-**
12 **thority under ORS 414.855 due to a material change transaction, as**
13 **defined in ORS 415.500, approved on or after the effective date of this**
14 **2025 Act.**

15 “(3) The assessment shall be paid to the authority in a manner and form
16 prescribed by the authority.

17 “(4) Assessments received by the authority under this section shall be
18 paid into the State Treasury and credited to the Health System Fund estab-
19 lished under section 2, chapter 538, Oregon Laws 2017.

20 “(5) The assessment imposed under this section is in addition to and not
21 in lieu of any tax, surcharge or other assessment imposed on a managed care
22 organization.

23 **“SECTION 4. (1) The Task Force on Funding to Improve Access to**
24 **Health Care is established.**

25 **“(2) The task force consists of 17 members appointed as follows:**

26 **“(a) The President of the Senate shall appoint two nonvoting**
27 **members from among members of the Senate, one from the majority**
28 **party and one from the minority party.**

29 **“(b) The Speaker of the House of Representatives shall appoint two**
30 **nonvoting members from among members of the House of Represen-**

1 **tatives, one from the majority party and one from the minority party.**

2 **“(c) The President of the Senate and the Speaker of the House of**
3 **Representatives shall jointly appoint nine members as follows:**

4 **“(A) One member representing health insurance carriers;**

5 **“(B) One member representing hospitals;**

6 **“(C) One member representing the Oregon Medical Association;**

7 **“(D) One member representing pharmacies;**

8 **“(E) One member representing pharmacy benefit managers;**

9 **“(F) One member representing employers that provide a self-funded**
10 **health insurance plan regulated under the Employee Retirement In-**
11 **come Security Act of 1974, as codified and amended at 29 U.S.C. 1001,**
12 **et seq.;**

13 **“(G) One member representing residents of this state who are af-**
14 **ected by the health care system;**

15 **“(H) One member representing residents of this state who are af-**
16 **ected by the mental health care system; and**

17 **“(I) One member representing coordinated care organizations.**

18 **“(d) The Governor shall appoint four nonvoting members as follows:**

19 **“(A) Two at-large nonvoting members;**

20 **“(B) One nonvoting member as a representative of the Department**
21 **of Consumer and Business Services; and**

22 **“(C) One nonvoting member as a representative of the Oregon**
23 **Health Authority.**

24 **“(3) The task force shall study the legality of revenue options for**
25 **the state medical assistance program and reinsurance risk liability**
26 **funding in an effort to more effectively support the state medical as-**
27 **sistance program, including by finding alternative methods for support**
28 **that do not increase costs and that enhance program delivery. The**
29 **study shall include:**

30 **“(a) Reviewing the feasibility of including health insurance plans**

1 regulated under the Employee Retirement Income Security Act of 1974,
2 as codified and amended at 29 U.S.C. 1001, et seq., in the assessment;

3 “(b) Reducing the overall assessment rate for all participating in-
4 surance payers if health insurance plans regulated under the Employee
5 Retirement Income Security Act of 1974, as codified and amended at
6 29 U.S.C. 1001, et seq., are included; and

7 “(c) Reviewing the feasibility and potential outcome of including
8 an assessment on the following additional classes of providers, as de-
9 fined by the Centers for Medicare and Medicaid Services:

10 “(A) Intermediate care facility services for individuals with intel-
11 lectual disabilities, and similar services furnished by community-based
12 residences for individuals with intellectual disabilities;

13 “(B) Physician services;

14 “(C) Home health care services;

15 “(D) Outpatient prescription drugs;

16 “(E) Ambulatory surgical center services, as described for purposes
17 of the Medicare program in section 1832(a)(2)(F)(i) of the Social Secu-
18 rity Act, including facility services but not including surgical proce-
19 dures;

20 “(F) Dental services;

21 “(G) Podiatric services;

22 “(H) Chiropractic services;

23 “(I) Optometric and optician services;

24 “(J) Psychological services;

25 “(K) Therapist services, including physical therapy, speech therapy,
26 occupational therapy, respiratory therapy, audiological services and
27 rehabilitative specialist services;

28 “(L) Nursing services, including services of nurse midwives, nurse
29 practitioners and private duty nurses;

30 “(M) Laboratory and X-ray services that are provided in a licensed,

1 free-standing laboratory or X-ray facility, not including laboratory or
2 X-ray services provided in a physician's office, hospital inpatient de-
3 partment or hospital outpatient department;

4 “(N) Emergency ambulance services; and

5 “(O) Other health care items or services on which the state has
6 enacted a licensing or certification fee, if:

7 “(i) The fee is broad and uniform, except that the state may apply
8 for and receive a waiver of this requirement;

9 “(ii) The fee is paid by a payer who cannot be held harmless; and

10 “(iii) The aggregate amount of the fee does not exceed the state's
11 estimated cost of operating and licensing the certification program.

12 “(4) In addition to the study described in subsection (3) of this sec-
13 tion, the task force:

14 “(a) Shall study the feasibility of requesting a waiver from the
15 Centers for Medicare and Medicaid Services to allow individuals en-
16 rolled in the state medical assistance program to utilize federal and
17 state moneys to purchase health insurance through the health insur-
18 ance exchange pursuant to ORS 741.001 to 741.540, instead of receiving
19 health care services from a coordinated care organization.

20 “(b) May vote to direct the Oregon Health Authority to prepare the
21 waiver request to the Centers for Medicare and Medicaid Services, if
22 appropriate based on the outcome of the study described in paragraph
23 (a) of this subsection.

24 “(5) A majority of the voting members of the task force constitutes
25 a quorum for the transaction of business.

26 “(6) Official action by the task force requires the approval of a
27 majority of the voting members of the task force.

28 “(7) The Director of the Department of Consumer and Business
29 Services shall select one member of the task force to serve as chair-
30 person and another to serve as vice chairperson, for the terms and

1 with the duties and powers necessary for the performance of the
2 functions of the offices as the director determines.

3 “(8) If there is a vacancy for any cause, the appointing authority
4 shall make an appointment to become immediately effective.

5 “(9) The task force shall meet at times and places specified by the
6 call of the chairperson or of a majority of the voting members of the
7 task force.

8 “(10) The task force may adopt rules necessary for the operation
9 of the task force.

10 “(11) The task force shall submit reports in the manner provided
11 by ORS 192.245, and may include recommendations for legislation, to
12 an interim committee of the Legislative Assembly related to health
13 care:

14 “(a) Regarding the study described in subsection (3) of this section
15 no later than December 15, 2025; and

16 “(b) Regarding the study described in subsection (4) of this section
17 no later than January 15, 2026.

18 “(12) The Department of Consumer and Business Services shall
19 provide staff support to the task force.

20 “(13) Members of the Legislative Assembly appointed to the task
21 force are nonvoting members of the task force and may act in an ad-
22 visory capacity only.

23 “(14) Members of the task force who are not members of the Leg-
24 islative Assembly serve as volunteers on the task force and, unless
25 they are qualified members, as defined in ORS 292.495, are not entitled
26 to compensation or reimbursement for expenses.

27 “(15) All agencies of state government, as defined in ORS 174.111,
28 are directed to assist the task force in the performance of the duties
29 of the task force and, to the extent permitted by laws relating to
30 confidentiality, to furnish information and advice the members of the

1 task force consider necessary to perform their duties.

2 “(16) All appointments to the task force made under subsection (2)
3 of this section must be completed by August 15, 2025.

4 “(17) The task force shall have its first meeting on or before Sep-
5 tember 8, 2025.

6 “(18) As used in this section ‘assessment’ means the assessments
7 imposed under ORS 414.880 and sections 3 and 5, chapter 538, Oregon
8 Laws 2017.

9 “SECTION 5. Section 4 of this 2025 Act is repealed on December 31,
10 2026.

11 “SECTION 6. The amendments to ORS 414.880 and sections 3 and
12 5, chapter 538, Oregon Laws 2017, by sections 1 to 3 of this 2025 Act
13 become operative on January 1, 2026.

14 “SECTION 7. This 2025 Act being necessary for the immediate
15 preservation of the public peace, health and safety, an emergency is
16 declared to exist, and this 2025 Act takes effect on its passage.”.