

House Bill 3429

Sponsored by Representatives BOONE, ROBLAN; Representatives BUCKLEY, DINGFELDER, GREENLICK, HUNT, MARCH, TOMEI, WITT

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**.

Expands eligibility for Family Health Insurance Assistance Program.
Appropriates moneys from General Fund for Family Health Insurance Assistance Program.
Declares emergency, effective July 1, 2005.

A BILL FOR AN ACT

1
2 Relating to health benefit plans; amending ORS 735.720 and 735.722; appropriating money; and de-
3 claring an emergency.

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

5 **SECTION 1.** ORS 735.720 is amended to read:

6 735.720. For purposes of ORS 735.720 to 735.740:

7 (1) "Eligible individual" means an individual who:

8 (a) Is a resident of the State of Oregon;

9 (b) Is not eligible for Medicare;

10 (c) Either has been without health benefit plan coverage for a period of time established by the
11 Insurance Pool Governing Board, or meets exception criteria established by the board;

12 (d) Except as otherwise provided by the board, has family income less than [200] **300** percent
13 of the federal poverty level;

14 (e) Has investments and savings less than the limit established by the board; and

15 (f) Meets other eligibility criteria established by the board.

16 (2) "Family" means:

17 (a) A single individual;

18 (b) An adult and the adult's spouse;

19 (c) An adult and the adult's spouse, all unmarried, dependent children under 23 years of age,
20 including adopted children, children placed for adoption and children under the legal guardianship
21 of the adult or the adult's spouse, and all dependent children of a dependent child; or

22 (d) An adult and the adult's unmarried, dependent children under 23 years of age, including
23 adopted children, children placed for adoption and children under the legal guardianship of the
24 adult, and all dependent children of a dependent child.

25 (3)(a) "Health benefit plan" means a policy or certificate of group or individual health insurance,
26 as defined in ORS 731.162, providing payment or reimbursement for hospital, medical and surgical
27 expenses. "Health benefit plan" includes a medical savings account, health care service contractor
28 or health maintenance organization subscriber contract, the Oregon Medical Insurance Pool and any
29 plan provided by a less than fully insured multiple employer welfare arrangement or by another
30 benefit arrangement defined in the federal Employee Retirement Income Security Act of 1974, as

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.

1 amended.

2 (b) "Health benefit plan" does not include coverage for accident only, specific disease or condi-
 3 tion only, credit, disability income, coverage of Medicare services pursuant to contracts with the
 4 federal government, Medicare supplement insurance, student accident and health insurance, long
 5 term care insurance, hospital indemnity only, dental only, vision only, coverage issued as a supple-
 6 ment to liability insurance, insurance arising out of a workers' compensation or similar law, auto-
 7 mobile medical payment insurance, insurance under which the benefits are payable with or without
 8 regard to fault and that is legally required to be contained in any liability insurance policy or
 9 equivalent self-insurance or coverage obtained or provided in another state but not available in
 10 Oregon.

11 (4) "Income" means gross income in cash or kind available to the applicant or recipient.

12 (5) "Investment and savings" means cash, securities as defined in ORS 59.015, negotiable in-
 13 struments as defined in ORS 73.0104 and such similar investments or savings as the board may es-
 14 tablish that are available to the applicant or recipient to contribute toward meeting the needs of
 15 an applicant or eligible individual.

16 (6) "Medicaid" means medical assistance provided under 42 U.S.C. section 1396a (section 1902
 17 of the Social Security Act).

18 (7) "Medical savings account" means a trust that is created exclusively for the purpose of pay-
 19 ing qualified medical expenses of the account holder and that qualifies for tax deduction under
 20 section 220 of the Internal Revenue Code. "Medical savings account" includes an associated high
 21 deductible health benefit plan.

22 (8) "Resident" means an individual who demonstrates to the Insurance Pool Governing Board
 23 that the individual is lawfully residing in Oregon and intends to reside in Oregon.

24 (9) "Subsidy" means payment or reimbursement to an eligible individual toward the purchase
 25 of a health benefit plan, and may include a net billing arrangement with insurance carriers or a
 26 prospective or retrospective payment for health benefit plan premiums and eligible copayments or
 27 deductible expenses directly related to the eligible individual.

28 (10) "Third-party administrator" means any insurance company or other entity licensed under
 29 the Insurance Code to administer health insurance benefit programs.

30 **SECTION 2.** ORS 735.722 is amended to read:

31 735.722. (1) There is established the Family Health Insurance Assistance Program in the Insur-
 32 ance Pool Governing Board. The purpose of the program is to remove economic barriers to health
 33 insurance coverage for residents of the State of Oregon with family income less than [200] **300** per-
 34 cent of the federal poverty level, and investment and savings less than the limit established by the
 35 board, while encouraging individual responsibility, promoting health benefit plan coverage of chil-
 36 dren, building on the private sector health benefit plan system and encouraging employer and em-
 37 ployee participation in employer sponsored health benefit plan coverage.

38 (2) The Insurance Pool Governing Board shall be responsible for the implementation and oper-
 39 ation of the Family Health Insurance Assistance Program. The Administrator of the Office for
 40 Oregon Health Policy and Research, in consultation with the Oregon Health Policy Commission,
 41 shall make recommendations to the board regarding program policy, including but not limited to
 42 eligibility requirements, assistance levels, benefit criteria and insurance carrier participation. The
 43 board shall adopt all policy recommendations made by the Administrator of the Office for Oregon
 44 Health Policy and Research pursuant to this subsection.

45 (3) The board may contract with one or more third-party administrators to administer one or

1 more components of the Family Health Insurance Assistance Program. Duties of a third-party ad-
2 ministrator may include but are not limited to:

- 3 (a) Eligibility determination;
- 4 (b) Data collection;
- 5 (c) Assistance payments;
- 6 (d) Financial tracking and reporting; and
- 7 (e) Such other services as the board may deem necessary for the administration of the program.

8 (4) If the board decides to enter into a contract with a third-party administrator pursuant to
9 subsection (3) of this section, the board shall engage in competitive bidding. The board shall evalu-
10 ate bids according to criteria established by the board, including but not limited to:

- 11 (a) The applicant's proven ability to administer a program of the size of the Family Health In-
12 surance Assistance Program;
- 13 (b) The efficiency of the applicant's payment procedures;
- 14 (c) The estimate provided of the total charges necessary to administer the program; and
- 15 (d) The applicant's ability to operate the program in a cost-effective manner.

16 **SECTION 3. In addition to and not in lieu of any other appropriation, there is appropri-**
17 **ated to the Insurance Pool Governing Board, for the biennium beginning July 1, 2005, out of**
18 **the General Fund, the amount of \$_____ for the Family Health Insurance Assistance Pro-**
19 **gram.**

20 **SECTION 4. This 2005 Act being necessary for the immediate preservation of the public**
21 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**
22 **July 1, 2005.**