

# Senate Bill 764

Sponsored by Senator MORRISETTE, Representatives GREENLICK, HOLVEY

## 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**.

Creates Health Coverage Purchasing Program in Insurance Pool Governing Board. Imposes assessment on participating employers to fund Health Coverage Purchasing Program. Establishes exemption for participating employers that provide employer-sponsored health benefit plans. Creates Health Coverage Purchasing Program Fund.

Appropriates moneys to Insurance Pool Governing Board for purposes of program.

## A BILL FOR AN ACT

1  
2 Relating to health care coverage for employees; appropriating money; and providing for revenue  
3 raising that requires approval by a three-fifths majority.

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

5 **SECTION 1. As used in sections 1 to 7 of this 2005 Act:**

6 (1) "Carrier" has the meaning given that term in ORS 743.730.

7 (2)(a) Except as provided in paragraph (b) of this subsection, "eligible employee" means  
8 an employee of a participating employer that does not offer employees enrollment in an  
9 employer-sponsored health benefit plan and who:

10 (A) Is a resident of the State of Oregon;

11 (B) Is employed by the participating employer for an average of more than 100 hours per  
12 month; and

13 (C) Has been employed by the participating employer for more than 90 days.

14 (b) "Eligible employee" does not include individuals:

15 (A) Engaged as independent contractors.

16 (B) Whose periods of employment are on an intermittent or irregular basis.

17 (3) "Employer" includes:

18 (a) Any person employing any individual in this state;

19 (b) This state or an agency or political subdivision of this state;

20 (c) A city, county, school district or other municipal corporation or taxing district in this  
21 state; and

22 (d) The federal government, if the federal government consents to be subject to the as-  
23 sessment imposed by section 4 of this 2005 Act.

24 (4) "Enrollee" means an eligible employee or family member of an eligible employee who  
25 is enrolled in health benefit plan coverage through the Health Coverage Purchasing Program.

26 (5) "Family member" has the meaning given that term in ORS 735.700.

27 (6) "Health benefit plan" has the meaning given that term in ORS 743.730.

28 (7) "Participating employer" means an employer in this state that is not a small em-  
29 ployer.

30 (8) "Small employer" has the meaning given that term in ORS 743.730.

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 (9) "Wages" has the meaning given that term in ORS 316.162.

2 **SECTION 2.** (1) The Health Coverage Purchasing Program is created in the Insurance  
3 Pool Governing Board. The purpose of the program is to provide health benefit plan coverage  
4 to eligible employees and family members.

5 (2) The board shall:

6 (a) Establish benefit requirements for health benefit plans offered by the Health Coverage  
7 Purchasing Program including, but not limited to, the types of services covered, deductibles,  
8 coinsurance and copayment levels for specific benefits and a maximum amount of annual  
9 out-of-pocket costs; and

10 (b) Contract for and offer health benefit plans for participating employers.

11 (3) When establishing the deductibles, coinsurance and copayments under subsection (2)  
12 of this section, the board shall consider the impact of the out-of-pocket costs on the ability  
13 of an enrollee to pay the employee contribution and to access timely and appropriate health  
14 care.

15 (4) In carrying out its duties under sections 1 to 7 of this 2005 Act, the board shall:

16 (a) Enter into contracts for administration of sections 1 to 7 of this 2005 Act, including  
17 paying carriers and collecting assessments and employee contributions;

18 (b) Enter into contracts with one or more carriers for each type of health benefit plan  
19 contracted for and offered;

20 (c) Set the annual employer assessment rate needed to provide health benefit plan cov-  
21 erage for all enrollees;

22 (d) Collect assessments and employee contributions; and

23 (e) Adopt rules to implement and administer the program.

24 (5) The board shall refer to the Department of Human Services enrollees who may be  
25 eligible for health care services through the medical assistance program or the Children's  
26 Health Insurance Program.

27 (6) A participating employer that is aggrieved by an action of the board taken pursuant  
28 to sections 1 to 7 of this 2005 Act is entitled to notice and an opportunity for a contested case  
29 hearing under ORS chapter 183.

30 **SECTION 3.** (1) The Health Coverage Purchasing Program Fund is established in the  
31 State Treasury separate and distinct from the General Fund. The fund shall consist of as-  
32 sessments and employee contributions received under section 4 of this 2005 Act, penalties  
33 collected under section 6 of this 2005 Act and moneys appropriated to the account by the  
34 Legislative Assembly. Interest earned by the fund shall be credited to the fund.

35 (2) The moneys in the Health Coverage Purchasing Program Fund are continuously ap-  
36 propriated to the Insurance Pool Governing Board for the purposes of sections 1 to 7 of this  
37 2005 Act.

38 **SECTION 4.** (1) An assessment is imposed on each participating employer in this state  
39 in an amount determined by the Insurance Pool Governing Board that is the board's best  
40 estimate of the amount needed to fund the Health Coverage Purchasing Program.

41 (2) The board shall establish an annual assessment rate that applies for a 12-month pe-  
42 riod beginning January 1. The board shall establish the assessment by determining the total  
43 amount necessary to pay for health benefit plan coverage for eligible employees and family  
44 members identified by participating employers as potential enrollees. The board may include  
45 costs associated with the administration of the program in determining the assessment.

1 Upon request of the board, each participating employer shall provide to the board specific  
2 information regarding the employer's eligible employees and family members.

3 (3) Each participating employer shall be assessed based on the number of eligible em-  
4 ployees and family members that the employer determines are likely to enroll in the pro-  
5 gram.

6 (4)(a) Except as provided in paragraph (b) of this subsection, an enrollee shall contribute  
7 an amount not to exceed 20 percent of the fee assessed to the participating employer toward  
8 the enrollee's health benefit plan coverage. A participating employer shall collect the enrollee  
9 contributions and submit the contributions concurrently with the remainder of the assess-  
10 ment.

11 (b) For an enrollee whose income is no more than 200 percent of federal poverty guide-  
12 lines, the enrollee contribution may not exceed five percent of the enrollee's wages.

13 (c) A participating employer may agree to pay more than 80 percent of the assessment.

14 (5) Except as provided in subsection (4) of this section, a participating employer may not  
15 make a deduction from the wages of an enrollee to pay a portion of the assessment imposed  
16 under this section.

17 **SECTION 5.** (1) The Insurance Pool Governing Board shall establish the assessment rate  
18 on or before October 1 preceding the 12-month period for which the assessment applies. On  
19 or before October 31, the board shall notify a participating employer of the amount of the  
20 assessment to be imposed on the employer for the 12-month period beginning the next Jan-  
21 uary 1.

22 (2)(a) Except as provided in paragraph (b) of this subsection, a participating employer  
23 shall pay the assessment by December 15 of each year.

24 (b) Upon request of a participating employer, the board may accept periodic payments  
25 of an assessment.

26 **SECTION 6.** (1) A participating employer that fails to pay an assessment under section  
27 4 of this 2005 Act by the date the payment is due shall be subject to a penalty of \$500 per  
28 day of delinquency. The total amount of penalties imposed under this section may not exceed  
29 \_\_\_\_\_ percent of the assessment.

30 (2) Penalties imposed under this section shall be collected by the Insurance Pool Gov-  
31 erning Board and deposited in the Health Coverage Purchasing Program Fund.

32 (3) Penalties paid under this section are in addition to and not in lieu of the assessment  
33 imposed under section 4 of this 2005 Act.

34 **SECTION 7.** (1) The Insurance Pool Governing Board may determine that a participating  
35 employer is exempt from the assessment if the participating employer provides health benefit  
36 plan coverage comparable to the health benefit plan coverage provided by the Health Cover-  
37 age Purchasing Program to enrollees.

38 (2) A participating employer may apply to the Insurance Pool Governing Board for an  
39 exemption by providing proof of health benefit plan coverage provided to employees.

40 (3) A participating employer shall provide documentation of an employer-sponsored  
41 health benefit plan on forms prescribed by the board.  
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