

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure

Vote: 12 – 0 – 0

Yeas: Reps. Avakian, Boone, Hanna, Hansen, Kropf, March, Morgan, Richardson, Schaufler, Scott, G. Smith, Whisnant
Nays:

Exc:

Prepared By: Robin LaMonte, Legislative Fiscal Office

Meeting Date: 7/7/05

WHAT THE MEASURE DOES: Changes the date for determining an insurer's assessment by the Oregon Medical Insurance Pool (OMIP). Allows OMIP to establish and maintain maximum benefit limits that are compatible with current commercial insurance market offerings and establish certain specific exception criteria to the 12-month re-enrollment waiting period via administrative rule. Allows OMIP to sign contracts with third party administrators or other vendors to provide services such as disease management and pharmacy service management. Provides the OMIP Board with the means to develop benefit designs for medical eligible enrollees. Declares emergency, effective on passage.

ISSUES DISCUSSED: This bill was sought by the Oregon Medical Insurance Pool Board to improve the administrative effectiveness and efficiency of the program.

EFFECT OF COMMITTEE AMENDMENT: None.

BACKGROUND: SB 123 establishes numerous administrative and benefit changes to the Oregon Medical Insurance Pool (OMIP).

- Changing the date of the count of insured lives: Insurance carriers are currently required to submit annual reports on the number of insured lives enrolled, which OMIP uses as the basis for the amount it biannually assesses insurers. Revising the date that carriers use to determine the number of insured lives enrolled will reflect a more current carrier enrollment.
- Changing the lifetime maximum benefit limit: OMIP is statutorily limited to a \$1 million lifetime maximum benefit limit. SB 123 would allow OMIP to increase and maintain benefit limits compatible with current market offerings.
- Exceptions to the 12-month re-enrollment waiting period: SB 123 allows OMIP to establish specific exception criteria for the 12-month waiting period to re-enroll in OMIP. The waiting period was originally established to keep people from entering and leaving the program based on their medical needs, but there have been instances that illustrate the need to be flexible in some situations.
- Contracting with vendors who are not licensed insurers: Current law restricts the OMIP to contracting for administrative services with licensed insurance carriers only. SB 123 allows the agency to contract with third party administrators or other vendors.
- Creating benefit plans for Medical Eligible enrollees; SB 123 allows OMIP to develop benefit designs for medically eligible enrollees that are different from those it develops for portability enrollees, so that medically eligible members will have access to comprehensive group benefits similar to what are available in the current market.