

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 0
Yeas:	Bonamici, Galizio, Gilliam, Girod, Nelson, Riley, Holvey
Nays:	0
Exc.:	0
Prepared By:	Steve Dixon, Administrator
Meeting Dates:	1/17, 3/5, 3/26

WHAT THE MEASURE DOES: Establishes and requires licensing for purveyors of discount medical plans. Licenses require providers to have written contract or agreement with service provider or provider network. Requires licensee to offer a toll-free customer assistance hotline. Establishes refund requirements. Prohibits misleading deceptive or false statements to consumers in the promotional and plan documents. Provides enforcement powers to the Department of Consumer and Business Services (DCBS) and provides persons with private right of action. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Services provided via medical discount plans
- Differences between medical discount plans and health insurance.
- Difficulties consumers experience with unregulated medical discount plans.

EFFECT OF COMMITTEE AMENDMENT: Provides for clarification that licensee is responsible for compliance. Provides licensee with the ability to keep a one time processing fee if the consumer declines services after the “free-look” period. Amendments also require licensee to approve advertising, sales and other marketing materials used by licensee’s marketer and requires those materials to be submitted to DCBS for review at the director’s request.

BACKGROUND: Medical discount plans are currently available in the marketplace and are unregulated in Oregon. These plans enable a purchaser to obtain medical services at reduced fees from participating doctors, hospitals, and other providers. In return for a negotiated discount, members must pay a monthly fee as well as a nonrefundable one-time enrollment fee.

DCBS has received a number of questions and complaints about these plans. Purchasers in some cases have not received the services they believe they purchased and consumers have been given inadequate and misleading information. For example: medical discount plans have been advertised as insurance; providers have been listed in directories although they are not participating; and consumers have found it difficult to cancel or get a refund on the plans.

House Bill 2221 provides the Director of the Department of Consumer and Business Services with the power to investigate violations and suspend or revoke licenses. The bill also permits any person to seek an injunction and statutory damages and three times the actual damages against unlicensed person operating as a discount medical plan organization.

This summary has not been adopted or officially endorsed by action of the committee.