

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass the A-Engrossed Measure
Vote: 5 - 0 - 0
Yeas: Avakian, Beyer, Gordly, Monroe, Prozanski
Nays: 0
Exc.: 0
Prepared By: Anna Braun, Administrator
Meeting Dates: 5/7

WHAT THE MEASURE DOES: Requires a license from the Department of Consumer and Business Services (DCBS) to operate a medical discount plan organization. Requires medical plan organizations to have written contracts with the medical plan providers. Requires licensees to offer a 30 day grace period, refund procedures, a toll-free line and website, and disclose the plan is not insurance but a discount plan. Licensees must refrain from deceptive marketing. Authorizes DCBS rulemaking and investigation. Authorizes statutory damages of \$100 for each discount medical plan membership sold or \$10,000 whichever greater and treble actual damages. Allows injunctive relief. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Medical discount plans 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 A establishes a licensing program within DCBS to regulate medical discount plans.