

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Carter, Gordly, Kruse, Courtney, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Shannon Strumpfer, Administrator
Meeting Dates:	2/26, 4/18

WHAT THE MEASURE DOES: Repeals the sunset on provisions permitting insurance carriers to limit the individual health benefit plans in which an individual may elect to enroll. Repeals the sunset on provisions permitting insurance carriers to offer to insure the applicant under a health benefit plan other than the plan initially elected by the applicant.

ISSUES DISCUSSED:

- Rejections have not declined in health insurance industry

EFFECT OF COMMITTEE AMENDMENT: Replaces the bill.

BACKGROUND: In 2003, the legislature passed HB 3431 which amended ORS 743.737 and allowed individuals to apply to particular plans offered by health insurance companies. Prior to 2003, if an individual applied for an individual health benefit plan and was approved, that individual was eligible for any individual plan offered by the carrier (e.g., \$500 - \$1,000 deductible). However, if an individual was denied he or she was denied for every plan offered. Insurance carriers had no flexibility to offer different products to different applicants based on their health status. HB 3431 allowed insurance carriers to deny individuals access to certain health benefit plans based on preexisting conditions.

HB 3431 allowed a health insurance carrier to limit the plans in which an individual could enroll if the individual was accepted for coverage. In addition, it eliminated the ability for individuals to qualify for the Oregon Medical Insurance Pool (OMIP) if the insurance carrier offered less than the applicant's desired level of coverage. Prior to the 2003 legislation, an applicant could choose whether they wanted to accept the offered plan of pursue coverage through OMIP.

Unless repealed, the provisions of HB 3431 will sunset January 2, 2008.