

A-Engrossed
House Bill 2348

Ordered by the House February 27
Including House Amendments dated February 27

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Judiciary for Governor Theodore R. Kulungoski)

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.

[Repeals provision allowing health insurance policies to exclude coverage for loss due to insured's use of intoxicants or controlled substances.]

Requires health insurance policy other than disability income policy to provide coverage or reimbursement of medical expenses related to insured's use of alcohol or controlled substance.

A BILL FOR AN ACT

1
2 Relating to health insurance policies; creating new provisions; and amending ORS 743.480 and
3 750.055.

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

5 **SECTION 1.** ORS 743.480 is amended to read:

6 743.480. *[A health insurance policy may contain a provision as follows: "INTOXICANTS AND*
7 *CONTROLLED SUBSTANCES: The insurer shall not be liable for any loss sustained or contracted*
8 *in consequence of the insured's being intoxicated or under the influence of any controlled substance*
9 *unless administered on the advice of a physician."]* **A health insurance policy other than a disa-**
10 **bility income policy shall provide coverage or reimbursement of expenses for the medical**
11 **treatment of injuries or illnesses caused in whole or in part by the insured's use of alcohol**
12 **or a controlled substance to the same extent as and subject to limitations no more restric-**
13 **tive than those imposed on coverage or reimbursement of expenses arising from treatment**
14 **of injuries or illnesses not caused by an insured's use of alcohol or a controlled substance.**

15 **SECTION 2.** ORS 750.055 is amended to read:

16 750.055. (1) The following provisions of the Insurance Code apply to health care service con-
17 tractors to the extent not inconsistent with the express provisions of ORS 750.005 to 750.095:

18 (a) ORS 705.137, 705.139, 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386,
19 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.488, 731.504, 731.508, 731.509, 731.510,
20 731.511, 731.512, 731.574 to 731.620, 731.592, 731.594, 731.640 to 731.652, 731.730, 731.731, 731.735,
21 731.737, 731.750, 731.752, 731.804 and 731.844 to 731.992.

22 (b) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.592, not
23 including ORS 732.582.

24 (c) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
25 to 733.780.

26 (d) ORS chapter 734.

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 (e) ORS 742.001 to 742.009, 742.013, 742.061, 742.065, 742.150 to 742.162, 742.400, 742.520 to
2 742.540, 743.010, 743.013, 743.018 to 743.030, 743.050, 743.100 to 743.109, 743.402, 743.412, 743.472,
3 **743.480**, 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.527, 743.528, 743.529, 743.549
4 to 743.552, 743.556, 743.560, 743.600 to 743.610, 743.650 to 743.656, 743.691, 743.693, 743.694, 743.697,
5 743.699, 743.701, 743.706 to 743.712, 743.721, 743.722, 743.726, 743.727, 743.728, 743.729, 743.793,
6 743.804, 743.807, 743.808, 743.814 to 743.839, 743.842, 743.845, 743.847, 743.854, 743.856, 743.857,
7 743.858, 743.859, 743.861, 743.862, 743.863, 743.864, 743.866 and 743.868.

8 (f) The provisions of ORS chapter 744 relating to the regulation of insurance producers.

9 (g) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
10 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

11 (h) ORS 743.714, except in the case of group practice health maintenance organizations that are
12 federally qualified pursuant to Title XIII of the Public Health Service Act unless the patient is re-
13 ferred by a physician associated with a group practice health maintenance organization.

14 (i) ORS 735.600 to 735.650.

15 (j) ORS 743.680 to 743.689.

16 (k) ORS 744.700 to 744.740.

17 (L) ORS 743.730 to 743.773.

18 (m) ORS 731.485, except in the case of a group practice health maintenance organization that
19 is federally qualified pursuant to Title XIII of the Public Health Service Act and that wholly owns
20 and operates an in-house drug outlet.

21 (2) For the purposes of this section, health care service contractors shall be deemed insurers.

22 (3) Any for-profit health care service contractor organized under the laws of any other state that
23 is not governed by the insurance laws of the other state is subject to all requirements of ORS
24 chapter 732.

25 (4) The Director of the Department of Consumer and Business Services may, after notice and
26 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
27 and 750.045 that are deemed necessary for the proper administration of these provisions.

28 **SECTION 3.** ORS 750.055, as amended by section 7, chapter 137, Oregon Laws 2003, section 3,
29 chapter 263, Oregon Laws 2003, sections 501 and 502, chapter 22, Oregon Laws 2005, sections 5 and
30 6, chapter 255, Oregon Laws 2005, and section 5, chapter 418, Oregon Laws 2005, is amended to
31 read:

32 750.055. (1) The following provisions of the Insurance Code apply to health care service con-
33 tractors to the extent not inconsistent with the express provisions of ORS 750.005 to 750.095:

34 (a) ORS 705.137, 705.139, 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386,
35 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.488, 731.504, 731.508, 731.509, 731.510,
36 731.511, 731.512, 731.574 to 731.620, 731.592, 731.594, 731.640 to 731.652, 731.730, 731.731, 731.735,
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38 (b) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.592, not
39 including ORS 732.582.

40 (c) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
41 to 733.780.

42 (d) ORS chapter 734.

43 (e) ORS 742.001 to 742.009, 742.013, 742.061, 742.065, 742.150 to 742.162, 742.400, 742.520 to
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2 743.699, 743.701, 743.706 to 743.712, 743.721, 743.722, 743.727, 743.728, 743.729, 743.793, 743.804,
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11 (i) ORS 735.600 to 735.650.

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13 (k) ORS 744.700 to 744.740.

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17 and operates an in-house drug outlet.

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19 (3) Any for-profit health care service contractor organized under the laws of any other state that
20 is not governed by the insurance laws of the other state is subject to all requirements of ORS
21 chapter 732.

22 (4) The Director of the Department of Consumer and Business Services may, after notice and
23 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
24 and 750.045 that are deemed necessary for the proper administration of these provisions.

25 **SECTION 4. The amendments to ORS 743.480 by section 1 of this 2007 Act do not apply**
26 **to a policy, contract, subscriber agreement, rider or indorsement delivered or issued for de-**
27 **livery in this state by an insurer before the effective date of this 2007 Act. However, the**
28 **amendments to ORS 743.480 by section 1 of this 2007 Act apply to a new, and to a renewal**
29 **or extension of an existing, policy, contract, subscriber agreement, rider or indorsement**
30 **delivered or issued for delivery in this state by an insurer on or after the effective date of**
31 **this 2007 Act.**

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