

# House Bill 3355

Sponsored by COMMITTEE ON CONSUMER PROTECTION

## 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 **as introduced**.

Requires approval of Director of Department of Consumer and Business Services to increase premium, copayment or coinsurance rate in health benefit plan in excess of increase in cost of living for prior year.

## A BILL FOR AN ACT

1  
2 Relating to health insurance rate review.

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

4 **SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS chapter 731.**

5 **SECTION 2. (1) Notwithstanding any other provision of law, an insurer offering individual**  
6 **or group policies providing coverage for hospital, medical or surgical expenses, other than**  
7 **coverage limited to expenses from accidents or specific diseases, may not increase a pre-**  
8 **mium, copayment or coinsurance rate in excess of the increase in the cost of living for the**  
9 **previous year without written approval from the Director of the Department of Consumer**  
10 **and Business Services. The cost of living shall be is based on the Portland-Salem, OR-WA,**  
11 **Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau**  
12 **of Labor Statistics of the United States Department of Labor.**

13 **(2) The director shall by rule establish a procedure for approval of rate increases under**  
14 **this section and shall adopt standards by which to evaluate a request for an increase in a**  
15 **premium, copayment or coinsurance rate under subsection (1) of this section. The standards**  
16 **shall be designed to ensure that insurance rates are not excessive, inadequate or unfairly**  
17 **discriminatory and shall take into account factors deemed relevant by the director, including**  
18 **but not limited to the insurer's:**

19 **(a) Investment income;**

20 **(b) Profits;**

21 **(c) Surplus levels;**

22 **(d) Loss ratios;**

23 **(e) Administrative costs;**

24 **(f) Net income targets; and**

25 **(g) Demonstrated efforts to implement cost controls that improve efficiency and main-**  
26 **tain or improve quality.**

27 **(3) The director shall make health insurance rate filings under this section available**  
28 **through the department's website.**

29 **(4) This section applies to all health benefit plans, as defined in ORS 743.730, except as**  
30 **may be prohibited by federal law.**

31 **(5) The requirements of this section are intended to supplement and not to supersede**

**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 **other provisions of law that require health benefit plans to file rate schedules or proposed**  
2 **rate increases with the department or require health benefit plans to seek department ap-**  
3 **proval of rate schedules or increases.**

4 **SECTION 3. The provisions of section 2 of this 2007 Act apply to health insurance policies**  
5 **or certificates issued or renewed on or after the effective date of this 2007 Act.**

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