

# Senate Bill 930

Sponsored by Senator CARTER (at the request of Myrna-Yvonne Williams for The Obesity Initiative)

## 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 health benefit plan to offer optional coverage of treatment for morbid obesity, including gastric bypass surgery when medically necessary.

## A BILL FOR AN ACT

1  
2 Relating to health benefit plan coverage of treatment for morbid obesity; creating new provisions;  
3 and amending ORS 750.055 and 750.333.

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

5 **SECTION 1. Section 2 of this 2007 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. (1) Every health benefit plan shall provide optional coverage for effective**  
7 **obesity prevention and treatment, including gastric bypass surgery when:**

8 (a) **Nonsurgical medical treatment of the morbid obesity supervised by a physician has**  
9 **been unsuccessful for at least 18 months; and**

10 (b) **Two physicians concur that surgical treatment of the morbid obesity is medically**  
11 **necessary.**

12 (2) **As used in this section:**

13 (a) **"Body mass index" means the result obtained by dividing weight in kilograms by**  
14 **height in meters squared.**

15 (b) **"Health benefit plan" has the meaning given that term in ORS 743.730.**

16 (c) **"Morbid obesity" means:**

17 (A) **A body mass index equal to or greater than 40; or**

18 (B) **A body mass index equal to or greater than 35 with comorbidity conditions that in**  
19 **combination negatively impact activities of daily living.**

20 **SECTION 3. ORS 750.055 is amended to read:**

21 750.055. (1) The following provisions of the Insurance Code apply to health care service con-  
22 tractors to the extent not inconsistent with the express provisions of ORS 750.005 to 750.095:

23 (a) ORS 705.137, 705.139, 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386,  
24 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.488, 731.504, 731.508, 731.509, 731.510,  
25 731.511, 731.512, 731.574 to 731.620, 731.592, 731.594, 731.640 to 731.652, 731.730, 731.731, 731.735,  
26 731.737, 731.750, 731.752, 731.804 and 731.844 to 731.992.

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

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

31 (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,  
 3 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.527, 743.528, 743.529, 743.549 to  
 4 743.552, 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 **and section 2 of this 2007**  
 8 **Act.**

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

10 (g) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,  
 11 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

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

15 (i) ORS 735.600 to 735.650.

16 (j) ORS 743.680 to 743.689.

17 (k) ORS 744.700 to 744.740.

18 (L) ORS 743.730 to 743.773.

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

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

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

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

29 **SECTION 4.** ORS 750.055, as amended by section 7, chapter 137, Oregon Laws 2003, section 3,  
 30 chapter 263, Oregon Laws 2003, sections 501 and 502, chapter 22, Oregon Laws 2005, sections 5 and  
 31 6, chapter 255, Oregon Laws 2005, and section 5, chapter 418, Oregon Laws 2005, is amended to  
 32 read:

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

35 (a) ORS 705.137, 705.139, 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386,  
 36 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.488, 731.504, 731.508, 731.509, 731.510,  
 37 731.511, 731.512, 731.574 to 731.620, 731.592, 731.594, 731.640 to 731.652, 731.730, 731.731, 731.735,  
 38 731.737, 731.750, 731.752, 731.804 and 731.844 to 731.992.

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

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

43 (d) ORS chapter 734.

44 (e) ORS 742.001 to 742.009, 742.013, 742.061, 742.065, 742.150 to 742.162, 742.400, 742.520 to  
 45 742.540, 743.010, 743.013, 743.018 to 743.030, 743.050, 743.100 to 743.109, 743.402, 743.412, 743.472,

1 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.527, 743.528, 743.529, 743.549 to  
2 743.552, 743.556, 743.560, 743.600 to 743.610, 743.650 to 743.656, 743.691, 743.693, 743.694, 743.697,  
3 743.699, 743.701, 743.706 to 743.712, 743.721, 743.722, 743.727, 743.728, 743.729, 743.793, 743.804,  
4 743.807, 743.808, 743.814 to 743.839, 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858,  
5 743.859, 743.861, 743.862, 743.863, 743.864, 743.866 and 743.868 **and section 2 of this 2007 Act.**

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

7 (g) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,  
8 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

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

12 (i) ORS 735.600 to 735.650.

13 (j) ORS 743.680 to 743.689.

14 (k) ORS 744.700 to 744.740.

15 (L) ORS 743.730 to 743.773.

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

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

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

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

26 **SECTION 5.** ORS 750.333 is amended to read:

27 750.333. (1) The following provisions of the Insurance Code apply to trusts carrying out a mul-  
28 tiple employer welfare arrangement:

29 (a) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316, 731.324, 731.328,  
30 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414, 731.418 to 731.434, 731.454, 731.484,  
31 731.486, 731.488, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 to 731.992.

32 (b) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695 to 733.780.

33 (c) ORS chapter 734.

34 (d) ORS 742.001 to 742.009, 742.013, 742.061 and 742.400.

35 (e) ORS 743.028, 743.053, 743.524, 743.526, 743.527, 743.528, 743.529, 743.530, 743.560, 743.562,  
36 743.600, 743.601, 743.602, 743.610, 743.691, 743.693, 743.694, 743.699, 743.727, 743.728, 743.730 to  
37 743.773 (except 743.760 to 743.773), 743.793, 743.801, 743.804, 743.807, 743.808, 743.814 to 743.839,  
38 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858, 743.859, 743.861, 743.862, 743.863 and  
39 743.864.

40 (f) ORS 743.556, 743.701, 743.703, 743.706, 743.707, 743.709, 743.710, 743.712, 743.713, 743.714,  
41 743.717, 743.718, 743.719, 743.721, 743.722, 743.725 and 743.726 **and section 2 of this 2007 Act.**  
42 Multiple employer welfare arrangements to which ORS 743.730 to 743.773 apply are subject to the  
43 sections referred to in this paragraph only as provided in ORS 743.730 to 743.773.

44 (g) Provisions of ORS chapter 744 relating to the regulation of insurance producers and insur-  
45 ance consultants, and ORS 744.700 to 744.740.

1 (h) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

2 (i) ORS 731.592 and 731.594.

3 (2) For the purposes of this section:

4 (a) A trust carrying out a multiple employer welfare arrangement shall be considered an insurer.

5 (b) References to certificates of authority shall be considered references to certificates of mul-  
6 tiple employer welfare arrangement.

7 (c) Contributions shall be considered premiums.

8 (3) The provision of health benefits under ORS 750.301 to 750.341 shall be considered to be the  
9 transaction of health insurance.

10 **SECTION 6.** ORS 750.333, as amended by section 4, chapter 263, Oregon Laws 2003, is amended  
11 to read:

12 750.333. (1) The following provisions of the Insurance Code apply to trusts carrying out a mul-  
13 tiple employer welfare arrangement:

14 (a) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316, 731.324, 731.328,  
15 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414, 731.418 to 731.434, 731.454, 731.484,  
16 731.486, 731.488, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 to 731.992.

17 (b) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695 to 733.780.

18 (c) ORS chapter 734.

19 (d) ORS 742.001 to 742.009, 742.013, 742.061 and 742.400.

20 (e) ORS 743.028, 743.053, 743.524, 743.526, 743.527, 743.528, 743.529, 743.530, 743.560, 743.562,  
21 743.600, 743.601, 743.602, 743.610, 743.691, 743.693, 743.694, 743.699, 743.727, 743.728, 743.730 to  
22 743.773 (except 743.760 to 743.773), 743.793, 743.801, 743.804, 743.807, 743.808, 743.814 to 743.839,  
23 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858, 743.859, 743.861, 743.862, 743.863 and  
24 743.864.

25 (f) ORS 743.556, 743.701, 743.703, 743.706, 743.707, 743.709, 743.710, 743.712, 743.713, 743.714,  
26 743.717, 743.718, 743.719, 743.721, 743.722 and 743.725 **and section 2 of this 2007 Act.** Multiple  
27 employer welfare arrangements to which ORS 743.730 to 743.773 apply are subject to the sections  
28 referred to in this paragraph only as provided in ORS 743.730 to 743.773.

29 (g) Provisions of ORS chapter 744 relating to the regulation of insurance producers and insur-  
30 ance consultants, and ORS 744.700 to 744.740.

31 (h) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

32 (i) ORS 731.592 and 731.594.

33 (2) For the purposes of this section:

34 (a) A trust carrying out a multiple employer welfare arrangement shall be considered an insurer.

35 (b) References to certificates of authority shall be considered references to certificates of mul-  
36 tiple employer welfare arrangement.

37 (c) Contributions shall be considered premiums.

38 (3) The provision of health benefits under ORS 750.301 to 750.341 shall be considered to be the  
39 transaction of health insurance.

40 **SECTION 7.** ORS 750.333, as amended by section 8, chapter 137, Oregon Laws 2003, section 4,  
41 chapter 263, Oregon Laws 2003, section 3, chapter 446, Oregon Laws 2003, and section 6, chapter  
42 418, Oregon Laws 2005, is amended to read:

43 750.333. (1) The following provisions of the Insurance Code apply to trusts carrying out a mul-  
44 tiple employer welfare arrangement:

45 (a) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316, 731.324, 731.328,

1 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414, 731.418 to 731.434, 731.454, 731.484,  
2 731.486, 731.488, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 to 731.992.

3 (b) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695 to 733.780.

4 (c) ORS chapter 734.

5 (d) ORS 742.001 to 742.009, 742.013, 742.061 and 742.400.

6 (e) ORS 743.028, 743.053, 743.524, 743.526, 743.527, 743.528, 743.529, 743.530, 743.560, 743.562,  
7 743.600, 743.601, 743.602, 743.610, 743.691, 743.693, 743.694, 743.699, 743.727, 743.728, 743.730 to  
8 743.773 (except 743.760 to 743.773), 743.793, 743.801, 743.804, 743.807, 743.808, 743.814 to 743.839,  
9 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858, 743.859, 743.861, 743.862, 743.863 and  
10 743.864.

11 (f) ORS 743.556, 743.701, 743.703, 743.706, 743.707, 743.709, 743.710, 743.712, 743.713, 743.714,  
12 743.717, 743.718, 743.719, 743.721 and 743.722 **and section 2 of this 2007 Act**. Multiple employer  
13 welfare arrangements to which ORS 743.730 to 743.773 apply are subject to the sections referred to  
14 in this paragraph only as provided in ORS 743.730 to 743.773.

15 (g) Provisions of ORS chapter 744 relating to the regulation of insurance producers and insur-  
16 ance consultants, and ORS 744.700 to 744.740.

17 (h) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

18 (i) ORS 731.592 and 731.594.

19 (2) For the purposes of this section:

20 (a) A trust carrying out a multiple employer welfare arrangement shall be considered an insurer.

21 (b) References to certificates of authority shall be considered references to certificates of mul-  
22 tiple employer welfare arrangement.

23 (c) Contributions shall be considered premiums.

24 (3) The provision of health benefits under ORS 750.301 to 750.341 shall be considered to be the  
25 transaction of health insurance.

26 **SECTION 8. Section 2 of this 2007 Act applies to health benefit plan policies issued on**  
27 **or after the effective date of this 2007 Act.**

28