

# Senate Bill 111

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Office of Private Health Partnerships)

## 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**.

Removes statutory definitions of "family member" and "family" for purposes of Small Employer Health Plan program and Family Health Insurance Assistance Program. Authorizes Office of Private Health Partnerships to define terms by rule.

## A BILL FOR AN ACT

1  
2 Relating to programs administered by Office of Private Health Partnerships; amending ORS 735.700  
3 and 735.720.

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

5 **SECTION 1.** ORS 735.700 is amended to read:

6 735.700. As used in ORS 735.700 to 735.714, unless the context requires otherwise:

7 (1) "Carrier" means an insurance company or health care service contractor holding a valid  
8 certificate of authority from the Director of the Department of Consumer and Business Services, or  
9 two or more companies or contractors acting together pursuant to a joint venture, partnership or  
10 other joint means of operation.

11 (2) "Eligible employee" means an employee of an employer who is employed by the employer for  
12 an average of at least 17.5 hours per week who elects to participate in one of the group benefit  
13 plans provided through action of the Office of Private Health Partnerships, and sole proprietors,  
14 business partners, and limited partners. The term does not include individuals:

15 (a) Engaged as independent contractors.

16 (b) Whose periods of employment are on an intermittent or irregular basis.

17 (c) Who have been employed by the employer for a period of time established by the employer  
18 or for fewer than 90 days, whichever is less.

19 (3) "Family member" means *[an eligible employee's spouse, any unmarried child or stepchild*  
20 *within age limits and other conditions imposed by the office with regard to unmarried children or*  
21 *stepchildren, or any other dependents eligible under the terms of the health benefit plan selected by the*  
22 *employee's employer]* **an individual meeting criteria prescribed by the office by rule.**

23 (4) "Health benefit plan" means a contract for group medical, surgical, hospital or any other  
24 remedial care recognized by state law and related services and supplies.

25 (5) "Premium" means the monthly or other periodic charge for a health benefit plan.

26 (6) "Small employer" means a person, firm, corporation, partnership or association actively en-  
27 gaged in business that, on at least 50 percent of its working days during the preceding year, em-  
28 ployed no more than 50 eligible employees and no fewer than two eligible employees, the majority  
29 of whom are employed within this state, and in which a bona fide partnership or employer-employee  
30 relationship exists. "Small employer" includes corporations that are eligible to file a consolidated

**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 tax return pursuant to ORS 317.715.

2 **SECTION 2.** ORS 735.720 is amended to read:

3 735.720. For purposes of ORS 735.720 to 735.740:

4 (1) "Carrier" has the meaning given that term in ORS 735.700.

5 (2) "Eligible individual" means an individual who:

6 (a) Is a resident of the State of Oregon;

7 (b) Is not eligible for Medicare;

8 (c) Either has been without health benefit plan coverage for a period of time established by the  
9 Office of Private Health Partnerships, or meets exception criteria established by the office;

10 (d) Except as otherwise provided by the office, has family income less than 200 percent of the  
11 federal poverty level;

12 (e) Has investments and savings less than the limit established by the office; and

13 (f) Meets other eligibility criteria established by the office.

14 [(3)(a) "Family" means:]

15 [(A) A single individual;]

16 [(B) An adult and the adult's spouse;]

17 [(C) An adult and the adult's spouse, all unmarried, dependent children under 23 years of age,  
18 including adopted children, children placed for adoption and children under the legal guardianship of  
19 the adult or the adult's spouse, and all dependent children of a dependent child; or]

20 [(D) An adult and the adult's unmarried, dependent children under 23 years of age, including  
21 adopted children, children placed for adoption and children under the legal guardianship of the adult,  
22 and all dependent children of a dependent child.]

23 [(b) A family includes a dependent elderly relative or a dependent adult child with a disability who  
24 meets the criteria established by the office and who lives in the home of the adult described in para-  
25 graph (a) of this subsection.]

26 **(3) "Family" means one or more individuals meeting criteria prescribed by the office by  
27 rule.**

28 (4)(a) "Health benefit plan" means a policy or certificate of group or individual health insurance,  
29 as defined in ORS 731.162, providing payment or reimbursement for hospital, medical and surgical  
30 expenses. "Health benefit plan" includes a health care service contractor or health maintenance  
31 organization subscriber contract, the Oregon Medical Insurance Pool and any plan provided by a  
32 less than fully insured multiple employer welfare arrangement or by another benefit arrangement  
33 defined in the federal Employee Retirement Income Security Act of 1974, as amended.

34 (b) "Health benefit plan" does not include coverage for accident only, specific disease or condi-  
35 tion only, credit, disability income, coverage of Medicare services pursuant to contracts with the  
36 federal government, Medicare supplement insurance, student accident and health insurance, long  
37 term care insurance, hospital indemnity only, dental only, vision only, coverage issued as a supple-  
38 ment to liability insurance, insurance arising out of a workers' compensation or similar law, auto-  
39 mobile medical payment insurance, insurance under which the benefits are payable with or without  
40 regard to fault and that is legally required to be contained in any liability insurance policy or  
41 equivalent self-insurance or coverage obtained or provided in another state but not available in  
42 Oregon.

43 (5) "Income" means gross income in cash or kind available to the applicant or the applicant's  
44 family. Income does not include earned income of the applicant's children or income earned by a  
45 spouse if there is a legal separation.

1 (6) "Investment and savings" means cash, securities as defined in ORS 59.015, negotiable in-  
2 struments as defined in ORS 73.0104 and such similar investments or savings as the office may es-  
3 tablish that are available to the applicant or the applicant's family to contribute toward meeting the  
4 needs of an applicant or eligible individual.

5 (7) "Medicaid" means medical assistance provided under 42 U.S.C. section 1396a (section 1902  
6 of the Social Security Act).

7 (8) "Resident" means an individual who meets the residency requirements established by rule  
8 by the office.

9 (9) "Subsidy" means payment or reimbursement to an eligible individual toward the purchase  
10 of a health benefit plan, and may include a net billing arrangement with carriers or a prospective  
11 or retrospective payment for health benefit plan premiums and eligible copayments or deductible  
12 expenses directly related to the eligible individual.

13 (10) "Third-party administrator" means any insurance company or other entity licensed under  
14 the Insurance Code to administer health insurance benefit programs.

15