

**A-Engrossed**  
**House Bill 3666**

Ordered by the House February 9  
Including House Amendments dated February 9

Sponsored by COMMITTEE ON HEALTH CARE (at the request of Blue Cross/Blue Shield of Oregon)

**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.

Permits **insurer to offer discounted rates for** electronic administration of small employer group or individual health insurance. [*Authorizes Director of Department of Consumer and Business Services to approve rates discounted due to electronic administration of health insurance.*] Defines electronic administrative transactions.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

Relating to electronic health insurance administration; and declaring an emergency.

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

**SECTION 1. Sections 2, 3 and 4 of this 2010 Act are added to and made a part of the Insurance Code.**

**SECTION 2. As used in sections 3 and 4 of this 2010 Act:**

(1) **"Explanation of benefits"** means claim processing advice or notification of action on claims.

(2) **"Payment, remittance and reconciliation information"** means all information required for premium billing or invoicing, facilitating timely electronic payment of premiums due, delinquency notification, final billing notification or termination of coverage.

(3) **"Plan renewal information"** means all correspondence and materials related to an offer to renew insurance provided by an insurer to a health insurance purchaser.

(4) **"Quote information"** means all correspondence and materials related to an offer to insure or a rate quotation provided by an insurer to a health insurance purchaser.

(5) **"Sale and enrollment information"** means all information documenting the sale of a policy or certificate of health insurance, the renewal of a policy or certificate of health insurance, the enrollment of members in a group health insurance plan or the enrollment of an individual in an individual health insurance plan, including but not limited to:

(a) **The application for insurance;**

(b) **Initial and ongoing documentation required by the insurer to be provided by an insured to establish eligibility and enrollment, adjudicate and process claims and prove prior creditable coverage or duplicate coverage;**

(c) **Premium information;**

(d) **Documentation of the payment of a premium; and**

(e) **Membership identification cards.**

**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       **SECTION 3.** (1) In the administration of small employer group health insurance or indi-  
2       vidual health insurance, an insurer may communicate one or more of the following by elec-  
3       tronic means:

4       (a) Quote information.

5       (b) Sale and enrollment information.

6       (c) Payment, remittance and reconciliation information.

7       (d) Explanation of benefits.

8       (e) Plan renewal information.

9       (f) Notifications required by law.

10       (g) Other communications, documentation, revisions or materials otherwise provided on  
11       paper.

12       (2) Electronic administration of small employer group or individual health insurance  
13       plans shall be transacted using secure systems specifically designed by the insurer for the  
14       purpose of electronic health insurance administration.

15       **SECTION 4.** (1) An insurer who elects to offer discounted rates for a health insurance  
16       plan utilizing electronic administration shall include the schedule of discounts for utilization  
17       of electronic administration as part of a small employer group health insurance or individual  
18       health insurance rate filing. The rate discounts may be graduated and must be proportionate  
19       to the amount of administrative cost savings the insurer anticipates as a result of the use  
20       of electronic transactions described in section 3 of this 2010 Act.

21       (2) Discounted rates allowed under this section shall be applied uniformly to all similarly  
22       situated small employer group or individual health insurance purchasers of an insurer.

23       (3) Discounts in premium rates under this section are not premium rate variations for  
24       purposes of ORS 743.737 (8) or 743.767.

25       **SECTION 5.** Sections 2, 3 and 4 of this 2010 Act do not require an insurer to offer dis-  
26       counted rates for a health insurance plan utilizing electronic administration or require a  
27       small employer group or an individual health insurance purchaser to use electronic admin-  
28       istration.

29       **SECTION 6.** This 2010 Act being necessary for the immediate preservation of the public  
30       peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect  
31       on its passage.  
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