

Senate Bill 1029

Sponsored by Senators SHIELDS, EDWARDS, Representatives GREENLICK, HOLVEY; Senators BATES, ROSENBAUM, Representatives FREDERICK, KAHL, KOTEK, NATHANSON, RILEY (Presession filed.)

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 Director of Department of Consumer and Business Services to order insurer to pay attorney fees and costs to consumer representative that contests health insurance premium rate filing and substantially contributes to final order of director. Requires director to determine if premium rates proposed by insurer for health benefit plans for small employers and individual health benefit plans satisfy specified criteria.

Removes authority of director to exempt from public disclosure rate filing materials of health benefit plan carriers.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to health insurance premium rates; creating new provisions; amending ORS 743.018 and
3 section 30, chapter 595, Oregon Laws 2009; and declaring an emergency.

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

5 **SECTION 1. The Director of the Department of Consumer and Business Services shall**
6 **order an insurer to pay the reasonable attorney fees and costs of any person that requests**
7 **a hearing under ORS 731.240 to contest health insurance premium rates filed in accordance**
8 **with ORS 743.018 if the director finds that the person:**

9 (1) **Represents the interests of insureds who are subject to the rates; and**

10 (2) **Has made a substantial contribution to the adoption of any final order by the director**
11 **with respect to the rate filing.**

12 **SECTION 2. ORS 743.018, as amended by section 31, chapter 595, Oregon Laws 2009, is**
13 **amended to read:**

14 743.018. (1) Except for group life and health insurance, and except as provided in ORS 743.015,
15 every insurer shall file with the Director of the Department of Consumer and Business Services all
16 schedules and tables of premium rates for life and health insurance to be used on risks in this state,
17 and shall file any amendments [*to*] or corrections [*of*] **to** such schedules and tables. Premium rates
18 are subject to approval, disapproval or withdrawal of approval by the director as provided in ORS
19 742.003, 742.005 and 742.007 **and this section.**

20 (2) [*Except as provided in ORS 743.737 and 743.760 and subsection (3) of this section,*] **All ma-**
21 **terials submitted as part of** a rate filing by a carrier for any of the following health benefit plans
22 subject to ORS 743.730 to 743.773 shall be available for public inspection [*immediately upon*] **no later**
23 **than three days after** submission of the filing to the director:

24 (a) Health benefit plans for small employers.

25 (b) Portability health benefit plans.

26 (c) Individual health benefit plans.

27 (3) The director may by rule[:]

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 [(a)] specify all information a carrier must submit as part of a rate filing under this section.];
 2 and]

3 [(b) Identify the information submitted that will be exempt from disclosure under this section be-
 4 cause the information constitutes a trade secret and would, if disclosed, harm competition.]

5 (4) The director, after conducting an actuarial review of the rate filing, may approve a proposed
 6 premium rate for a health benefit plan for small employers or for an individual health benefit plan
 7 if[, *in the director's discretion,*] the proposed rates are:

- 8 (a) Actuarially sound;
- 9 (b) Reasonable and not excessive, inadequate or unfairly discriminatory; and
- 10 (c) Based upon reasonable administrative expenses.

11 (5) In order to determine whether the proposed premium rates for a health benefit plan for small
 12 employers or for an individual health benefit plan are reasonable and not excessive, inadequate or
 13 unfairly discriminatory, the director [*may*] **shall** consider:

- 14 (a) The insurer's financial position, including but not limited to profitability, surplus, reserves
 15 and investment savings.
- 16 (b) Historical and projected administrative costs and medical and hospital expenses.
- 17 (c) Historical and projected loss ratio between the amounts spent on medical services and
 18 earned premiums.
- 19 (d) Any anticipated change in the number of enrollees if the proposed premium rate is approved.
- 20 (e) Changes to covered benefits or health benefit plan design.
- 21 (f) Changes in the insurer's health care cost containment and quality improvement efforts since
 22 the insurer's last rate filing for the same category of health benefit plan.
- 23 (g) Whether the proposed change in the premium rate is necessary to maintain the insurer's
 24 solvency or to maintain rate stability and prevent excessive rate increases in the future.
- 25 (h) Any public comments received under ORS 743.019 pertaining to the standards set forth in
 26 subsection (4) of this section and this subsection.

27 (6) **The director by order shall approve, disapprove or**, with the written consent of the
 28 insurer, [*the director may*] modify a schedule or table of premium rates filed in accordance with
 29 subsection (1) of this section.

30 (7) The requirements of this section do not supersede other provisions of law that require
 31 insurers, health care service contractors or multiple employer welfare arrangements providing
 32 health insurance to file schedules or tables of premium rates or proposed premium rates with the
 33 director or to seek the director's approval of rates or changes to rates.

34 **SECTION 3.** Section 30, chapter 595, Oregon Laws 2009, is amended to read:

35 **Sec. 30.** [*Sections 28 and 29 of this 2009 Act*] **ORS 743.019 and 743.020** and the amendments to
 36 ORS 743.018 by [*section 31 of this 2009 Act*] **section 2 of this 2010 Act** apply to rate filings sub-
 37 mitted to the Department of Consumer and Business Services on or after April 1, 2010.

38 **SECTION 4. This 2010 Act being necessary for the immediate preservation of the public**
 39 **peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect**
 40 **on its passage.**