

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass and Be Placed on the Consent Calendar
Vote:	8 - 0 - 0
Yeas:	Frederick, Greenlick, Harker, Parrish, Thompson, Weidner, Gilliam, Tomei
Nays:	0
Exc.:	0
Prepared By:	Jennifer Kellar, Administrator
Meeting Dates:	4/25, 5/2

WHAT THE MEASURE DOES: Requires Department of Consumer and Business Services (DCBS) to adopt by rule prompt payment requirements for long-term care (LTC) insurance. Requires that the rules include definitions for “claim” and “clean claim”. Requires DCBS to consider prompt payment requirements in model acts developed by the National Association of Insurance Commissioners (NAIC). Defines “benefit trigger” for purposes of prompt payment. Requires DCBS to adopt by rule internal and external review procedures for denials of LTC insurance claims. Requires LTC policies to include a clear description of the appeals process. Applies to policies issued or renewed on or after July 1, 2012. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Consumer protections for long-term care insurance
- Operative date implementation
- Long-term care and home health care complaints statistics
- Role of insurance companies

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: LTC insurance covers a variety of medical, personal and social services for persons who have a chronic illness or disability and need assistance with activities of daily living. The United States Department of Health and Human Services estimates that approximately nine million Americans over the age of 65 will need LTC services this year.

Currently, LTC insurance policies in Oregon are not subject to many of the consumer protection regulations that are applicable to other health insurance policies, including prompt payment provisions and grievance and appeal rights. DCBS indicates that they received approximately 291 complaints related to long-term and home health care over the last three years.

SB 88-A would establish consumer protection provisions for LTC policy holders by requiring DCBS to adopt rules for both prompt payment requirements and internal and external review procedures.