

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 4 - 0 - 1

**Yeas:** Bates, Morse, Shields, Monnes Anderson

**Nays:** 0

**Exc.:** Kruse

**Prepared By:** Brian Nieubuurt, Administrator

**Meeting Dates:** 3/9, 3/16

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**WHAT THE MEASURE DOES:** Requires the 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 protection concerns and number of complaints received by DCBS
- Differences between LTC insurance and health insurance
- Role of NAIC model acts

**EFFECT OF COMMITTEE AMENDMENT:** Requires DCBS to adopt by rule prompt payment requirements for LTC insurance. Requires rules to include definitions for “claim” and “clean claim.” Requires DCBS to consider prompt payment requirements in model acts developed by the NAIC. Defines “benefit trigger.” Removes requirement that DCBS approve form of review procedures explanation. Adds requirement that LTC policies include a clear description of the appeals process. Changes application date to LTC policies issued or renewed on or after July 1, 2012.

**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.

3/17/2011 3:40:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*