

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

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

Nays: 0

Exc.: 0

Prepared By: Brian Niebuurt, Administrator

Meeting Dates: *Subcommittee: 3/31, Full: 4/13, 4/18, 4/20, 4/21*

WHAT THE MEASURE DOES: Authorizes the Department of Consumer and Business Services (DCBS) to enforce health insurance requirement of federal Patient Protection and Affordable Care Act (PPACA). Requires health benefit plans to provide coverage of federally-defined preventative health services without cost-sharing, except as allowed by federal law. Prohibits insurers from rescinding coverage except for instances of fraud or intentional misrepresentation of material fact. Requires insurers to give 30 days' advance notice of rescissions to enrollees and DCBS. Defines "grandfathered health plan" and "representative." Prohibits non-grandfathered health plans from denying, delaying or terminating participation based on a preexisting condition if the individual is less than 19 years of age. Abolishes the Health Insurance Reform Advisory Committee (Committee) and gives duties of Committee to the Director of DCBS. Exempts insurers from marketing or offering grandfathered health plans. Prohibits health benefit plans from imposing annual or lifetime dollar limits on federally-defined essential health benefits. Removes misuse of a provider network provision as a justification for not renewing a group health benefit plan. Amends provisions regarding insurers' appeals, grievance and external review procedures. Prohibits insurers from having referral or prior authorization requirements for obstetrical or gynecological care. Modifies definitions related to coverage of emergency services. Amends definition of "child" to require insurers to provide coverage to dependent children up to the age of 26. Applies to policies or certificates issued or renewed on or after September 23, 2010. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Grandfathered plan definition
- Potential effect of preventative services mandate on premium

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: PPACA, passed in March of 2010, made several reforms regarding the sale and administration of health insurance. These reforms include: (a) mandated coverage of preventative services without cost-sharing; (b) new limitations on the ability to rescind, cancel or nonrenew a health benefit plan; (c) guarantee-issue coverage without preexisting condition limitation for children under the age of 19; (d) enhanced appeals and grievance procedure protections; and (e) mandated coverage of dependent children up to the age of 26.

Senate Bill 89-A codifies these federal health reforms in the Oregon Insurance Code.