

**REVENUE: No revenue impact**

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

---

|                       |   |
|-----------------------|---|
| <b>Action:</b>        | Do Pass as Amended and Be Printed Engrossed                   |
| <b>Vote:</b>          | 7 - 0 - 1   |
| <b>Yeas:</b>          | Cannon, Doherty, Hoyle, Parrish, Weidner, Greenlick, Thompson |
| <b>Nays:</b>          | 0   |
| <b>Exc.:</b>          | Kennemer  |
| <b>Prepared By:</b>   | Sandy Thiele-Cirka, Administrator                             |
| <b>Meeting Dates:</b> | 5/23, 5/25, 5/27  |

---

**WHAT THE MEASURE DOES:** Requires certain health benefit plans to provide coverage of preventive health services as prescribed by United States Department of Health and Human Services and prohibits those plans from imposing cost-sharing requirements on enrollees for preventive health services. Prohibits health insurer from canceling, rescinding or refusing to renew policy on or after September 23, 2010, except for specified reasons. Requires health insurers to notify covered persons and Department of Consumer and Business Services (DCBS) regarding rescinded policies on or after September 23, 2010. Prohibits preexisting condition exclusion for insured under 19 years of age who are enrolled in certain types of health insurance. Exempts health benefit plan issued to small employer group through association health plan from application of certain provisions. Prohibits annual or lifetime dollar limitations on essential health benefits covered by health insurance. Imposes new requirements for internal review and external appeal of adverse benefit determinations in health benefit plans offered or renewed on or after September 23, 2010. Requires insurers to allow female enrollee access to obstetrical or gynecological care without referral or prior authorization. Modifies requirements relating to coverage of emergency services and pregnancy care. Abolishes Health Insurance Reform Advisory Committee. Requires insurers to provide notice by mail prior to cancellation or nonrenewal of individual health insurance policy. Specifies that cancellation or nonrenewal results in refund to policyholder and insurer must mail refund with explanation to policyholder. Specifies criteria for the insurer to notify policy if cancellation or nonrenewal is due to reported death. Replaces term “certificate holder” with “covered person.” Defines “covered person.” Amends information to be provided by insurers to covered persons in event group health insurance coverage is terminated. Restores reference to ORS 743.602 in Section 3(7). Conforms current requirement that health benefit plans cover hearing aids for persons under 18 years of age or 18 years of age or older that is enrolled as dependent and enrolled in accredited education institution to federal requirement that health benefit plan dependent coverage cover all dependents up to age 26. Clarifies rescinding criteria by an insurer. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Need to conform Oregon law with the federal Patient Protection and Affordable Care Act (PPACA)
- Reviews significant changes
- Amendment addressing notification requirements
- Additional proposed amendments
- Oregon law standing versus federal law
- Extending hearing aid coverage to other age groups
- Conflict with federal regulations

**EFFECT OF COMMITTEE AMENDMENT:** Requires insurers to provide notice by mail prior to cancellation or nonrenewal of individual health insurance policy. Specifies that cancellation or nonrenewal results in refund to policyholder and insurer must mail refund with explanation to policyholder. Specifies criteria for insurer to notify policy if cancellation or nonrenewal is due to reported death. Replaces term “certificate holder” with “covered person.” Defines “covered person.” Amends information to be provided by insurers to covered persons in event that group health

6/2/2011 3:39:00 PM

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

insurance coverage is terminated. Restores reference to ORS 743.602 in Section 3(7). Conforms current requirement that health benefit plans cover hearing aids for persons under 18 years of age or 18 years of age or older that is enrolled as dependent and enrolled in accredited education institution to federal requirement that health benefit plan dependent coverage cover all dependents up to age 26. Requires certain health benefit plans to provide coverage of preventive health services as prescribed by federal requirements and prohibits plans from imposing cost sharing requirements on enrollees.

**BACKGROUND:** The federal Patient Protection and Affordable Care Act (PPACA) was passed in March 2010 and made several reforms relating to 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-B expands and enhances state continuation of health insurance to allow Oregonians and their family members to utilize continued coverage. Additionally, the measure allows spouses and dependents of an affected employee to independently elect for state continuation even if the employee is ineligible; clarifies Oregon law to ensure that Oregonians who lose group health coverage because of a reduction of hours are eligible for state continuation, and provides for notification from insurance companies to Oregonians eligible for state continuation.

Senate Bill 89-B codifies multiple federal requirements into Oregon Insurance Code.