

A-Engrossed
Senate Bill 514

Ordered by the Senate March 7
Including Senate Amendments dated March 7

Sponsored by Senator MONNES ANDERSON (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.

[Expands eligibility for enrollment in Oregon Medical Insurance Pool to include parents of children who are unable to access health insurance coverage. Prohibits application of waiting period or preexisting conditions provision on children under age of 19 who seek enrollment in pool.]

Requires Oregon Medical Insurance Pool Board to consider costs of reinsurance program for children's coverage when determining sufficiency of funds in Oregon Medical Insurance Pool Account.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the Oregon Medical Insurance Pool; amending ORS 735.614; and declaring an emergency.

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

4 **SECTION 1.** ORS 735.614 is amended to read:

5 735.614. (1)(a) If the Oregon Medical Insurance Pool Board determines at any time that funds
6 in the Oregon Medical Insurance Pool Account are or will become insufficient for payment of ex-
7 penses of the pool in a timely manner, the board shall determine the amount of funds needed and
8 shall impose and collect assessments against insurers **for that amount**, as provided in this
9 section[, *in the amount of the funds determined to be needed*].

10 **(b) If the Department of Consumer and Business Services adopts rules establishing a**
11 **reinsurance program for children's coverage, the board shall include the costs of such pro-**
12 **gram, as determined by the department, in the determination of the amount of funds needed**
13 **under paragraph (a) of this subsection.**

14 (2) Each insurer's assessment shall be determined by multiplying the total amount to be assessed
15 by a fraction, the numerator of which equals the number of Oregon insureds and certificate holders
16 insured or reinsured by each insurer, and the denominator of which equals the total of all Oregon
17 insureds and certificate holders insured or reinsured by all insurers, all determined as of March 31
18 each year.

19 (3) The board shall ensure that each insured and certificate holder is counted only once with
20 respect to any assessment. For that purpose, the board shall require each insurer that obtains re-
21 insurance for its insureds and certificate holders to include in its count of insureds and certificate
22 holders all insureds and certificate holders whose coverage is reinsured in whole or part. The board
23 shall allow an insurer who is a reinsurer to exclude from its number of insureds those that have
24 been counted by the primary insurer or the primary reinsurer for the purpose of determining its
25 assessment under this subsection.

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 (4) All insurers authorized to transact medical insurance in Oregon and that insure persons re-
2 siding in Oregon are subject to the assessment under this section. Insureds under the following types
3 of coverage, as defined by rule by the board, are excluded in the calculation of the assessment:

- 4 (a) Medicaid;
- 5 (b) State Children’s Health Insurance Program;
- 6 (c) Medicare;
- 7 (d) Disability income insurance;
- 8 (e) Hospital only insurance;
- 9 (f) Dental insurance;
- 10 (g) Vision only insurance;
- 11 (h) Accident only insurance;
- 12 (i) Automobile insurance;
- 13 (j) Specific disease insurance;
- 14 (k) Medical supplemental plans;
- 15 (L) TRICARE;
- 16 (m) CHAMPUS;
- 17 (n) Prescription drug only plans;
- 18 (o) Long term care insurance; and
- 19 (p) Federal Employees Health Benefits Program.

20 (5) If assessments exceed the amounts actually needed, the excess shall be held and invested
21 and, with the earnings and interest, used by the board to offset future net losses or to reduce pool
22 premiums. For purposes of this subsection, “future net losses” includes reserves for claims incurred
23 but not reported.

24 (6) Each insurer’s proportion of participation in the pool shall be determined by the board based
25 on annual statements and other reports deemed necessary by the board and filed by the insurer with
26 the board. The board may use any reasonable method of estimating the number of insureds and
27 certificate holders of an insurer if the specific number is unknown. With respect to insurers that
28 are reinsurers, the board may use any reasonable method of estimating the number of persons in-
29 sured by each reinsurer.

30 (7) The board may abate or defer, in whole or in part, the assessment of an insurer if, in the
31 opinion of the board, payment of the assessment would endanger the ability of the insurer to fulfill
32 the insurer’s contractual obligations. In the event an assessment against an insurer is abated or
33 deferred in whole or in part, the amount by which the assessment is abated or deferred may be as-
34 sessed against the other insurers in a manner consistent with the basis for assessments set forth in
35 this section. The insurer receiving the abatement or deferment shall remain liable to the board for
36 the deficiency for four years.

37 (8) The board shall abate or defer assessments authorized by this section if a court orders that
38 assessments cannot be made applicable to reinsurers. However, if a court orders that assessments
39 cannot be made applicable to reinsurers, the board may continue to assess insurers to the end of the
40 biennium in which the determination is made.

41 (9) Subject to the approval of the Director of the Oregon Health Authority, the board may de-
42 velop a program for adjusting the assessment of an insurer in the individual health benefits market
43 based on that insurer’s contribution to reducing the enrollment in the Oregon Medical Insurance
44 Pool. When developing the program, the board may consider, but is not limited to, the following
45 factors:

- 1 (a) The insurer's level of participation;
- 2 (b) Level of health benefit plan coverage offered; and
- 3 (c) Assumption of risk in the individual health benefits market.

4 **SECTION 2. This 2011 Act being necessary for the immediate preservation of the public**
5 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
6 **on its passage.**

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