

# Senate Bill 575

Sponsored by Senator BATES

## 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 **as introduced**.

Adds two specified representatives as members of Oregon Medical Insurance Pool Board.

## A BILL FOR AN ACT

1 Relating to the Oregon Medical Insurance Pool Board; amending ORS 735.610.

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

3 **SECTION 1.** ORS 735.610 is amended to read:

4 735.610. (1) There is created in the Oregon Health Authority the Oregon Medical Insurance Pool  
5 Board. The board shall establish the Oregon Medical Insurance Pool and otherwise carry out the  
6 responsibilities of the board under ORS 735.600 to 735.650.

7 (2) The board shall consist of [*nine*] **11** individuals, [*seven*] **nine** of whom shall be appointed by  
8 the Director of the Oregon Health Authority. The Director of the Department of Consumer and  
9 Business Services or the director's designee and the Director of the Oregon Health Authority or the  
10 director's designee shall be members of the board. The chair of the board shall be elected from  
11 among the members of the board. The board shall at all times, to the extent possible, include at least  
12 one representative of a domestic insurance company licensed to transact health insurance, one rep-  
13 resentative of a domestic not-for-profit health care service contractor, one representative of a health  
14 maintenance organization, one representative of reinsurers, **one representative of a multiple em-  
15 ployer welfare arrangement as defined in ORS 750.301, one representative of an employer  
16 that is self-insured** and two members of the general public who are not associated with the medical  
17 profession, a hospital or an insurer. A majority of the voting members of the board constitutes a  
18 quorum for the transaction of business. An act by a majority of a quorum is an official act of the  
19 board.

20 (3) The Director of the Oregon Health Authority may fill any vacancy on the board by ap-  
21 pointment.

22 (4) The board shall have the general powers and authority granted under the laws of this state  
23 to insurance companies with a certificate of authority to transact health insurance and the specific  
24 authority to:

25 (a) Enter into such contracts as are necessary or proper to carry out the provisions and pur-  
26 poses of ORS 735.600 to 735.650 including the authority to enter into contracts with similar pools  
27 of other states for the joint performance of common administrative functions, or with persons or  
28 other organizations for the performance of administrative functions;

29 (b) Recover any assessments for, on behalf of, or against insurers;

30 (c) Take such legal action as is necessary to avoid the payment of improper claims against the  
31 pool or the coverage provided by or through the pool;  
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**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 (d) Establish appropriate rates, rate schedules, rate adjustments, expense allowances, insurance  
2 producers' referral fees, claim reserves or formulas and perform any other actuarial function ap-  
3 propriate to the operation of the pool. Rates may not be unreasonable in relation to the coverage  
4 provided, the risk experience and expenses of providing the coverage. Rates and rate schedules may  
5 be adjusted for appropriate risk factors such as age and area variation in claim costs and shall take  
6 into consideration appropriate risk factors in accordance with established actuarial and underwrit-  
7 ing practices;

8 (e) Issue policies of insurance in accordance with the requirements of ORS 735.600 to 735.650;

9 (f) Appoint from among insurers appropriate actuarial and other committees as necessary to  
10 provide technical assistance in the operation of the pool, policy and other contract design, and any  
11 other function within the authority of the board;

12 (g) Seek advances to effect the purposes of the pool; and

13 (h) Establish rules, conditions and procedures for reinsuring risks under ORS 735.600 to 735.650.

14 (5) Each member of the board is entitled to compensation and expenses as provided in ORS  
15 292.495.

16 (6) The Director of the Oregon Health Authority shall adopt rules, as provided under ORS  
17 chapter 183, implementing policies recommended by the board for the purpose of carrying out ORS  
18 735.600 to 735.650.

19 (7) In consultation with the board, the Director of the Oregon Health Authority shall employ  
20 such staff and consultants as may be necessary for the purpose of carrying out responsibilities under  
21 ORS 735.600 to 735.650.

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