

## SENATE AMENDMENTS TO SENATE BILL 718

By COMMITTEE ON GENERAL GOVERNMENT, CONSUMER AND SMALL BUSINESS  
PROTECTION

April 26

1 On page 1 of the printed bill, line 2, after “742.003” insert “, 743.018”.

2 Delete lines 5 through 22 and insert:

3 “**SECTION 1.** ORS 743.019 is amended to read:

4 “743.019. (1) When an insurer files **for approval by the Director of the Department of Con-**  
5 **sumer and Business Services** a schedule or table of premium rates for **an** individual, portability  
6 or small employer health [*insurance under ORS 743.018*] **benefit plan as defined in ORS 743.730,**  
7 the director [*of the Department of Consumer and Business Services*] shall open a 30-day public com-  
8 ment period on the rate filing that begins on the date the insurer files the schedule or table of  
9 premium rates. The director shall post all comments to the website of the Department of Consumer  
10 and Business Services without delay.

11 “(2) **If a rate filing represents an average premium rate increase of seven percent or**  
12 **more and affects 1,000 or more enrollees in the individual and small employer markets, the**  
13 **insurer shall, within three business days of the filing, notify all policyholders affected by the**  
14 **filing and all persons who have requested notification of a filing. The notice must include:**

15 “(a) **A statement of the average percentage increase in rates and the range of increased**  
16 **rates that were used in the calculation of the average percentage increase in rates;**

17 “(b) **Instructions for accessing information about the rate increase at the website of the**  
18 **Department of Consumer and Business Services; and**

19 “(c) **Instructions for providing public comment on the rate filing.**

20 “[2] (3) The director shall give written notice to an insurer approving or disapproving a rate  
21 filing or, with the written consent of the insurer, modifying a rate filing submitted under ORS  
22 743.018 no later than 10 business days after the close of the public comment period. The notice shall  
23 comply with the requirements of ORS 183.415.

24 “(4) **If the director approves a rate filing that increases rates above the rates previously**  
25 **approved by the director for an individual or small employer health benefit plan, the director**  
26 **shall make available on the department’s website a detailed explanation of how the increased**  
27 **rates:**

28 “(a) **Meet standards described in ORS 743.018 (4) and (5); and**

29 “(b) **Are not subject to disapproval under ORS 742.005.**

30 “**SECTION 2.** ORS 743.018 is amended to read:

31 “743.018. (1) Except for group life and health insurance, and except as provided in ORS 743.015,  
32 every insurer shall file with the Director of the Department of Consumer and Business Services all  
33 schedules and tables of premium rates for life and health insurance to be used on risks in this state,  
34 and shall file any amendments to or corrections of such schedules and tables. Premium rates are  
35 subject to approval, disapproval or withdrawal of approval by the director as provided in ORS

1 742.003, 742.005 and 742.007.

2 “(2) Except as provided in ORS 743.737 and 743.760 and subsection (3) of this section, a rate  
3 filing by a carrier for any of the following health benefit plans subject to ORS 743.730 to 743.773  
4 shall be available for public inspection immediately upon submission of the filing to the director:

5 “(a) Health benefit plans for small employers.

6 “(b) Portability health benefit plans.

7 “(c) Individual health benefit plans.

8 “(3) The director may by rule:

9 “(a) Specify all information a carrier must submit as part of a rate filing under this section; and

10 “(b) Identify the information submitted that will be exempt from disclosure under this section  
11 because the information constitutes a trade secret and would, if disclosed, harm competition.

12 “(4) The director, after conducting an actuarial review of the rate filing, may approve a pro-  
13 posed premium rate for a health benefit plan for small employers or for an individual health benefit  
14 plan if, in the director’s discretion, the proposed rates are:

15 “(a) Actuarially sound;

16 “(b) Reasonable and not excessive, inadequate or unfairly discriminatory; and

17 “(c) Based upon reasonable administrative expenses.

18 “(5) In order to determine whether the proposed premium rates for a health benefit plan for  
19 small employers or for an individual health benefit plan are reasonable and not excessive, inade-  
20 quate or unfairly discriminatory, the director [*may*] **shall** consider:

21 “(a) The insurer’s financial position, including but not limited to profitability, surplus, reserves  
22 and investment savings.

23 “(b) Historical and projected administrative costs and medical and hospital expenses.

24 “(c) Historical and projected loss ratio between the amounts spent on medical services and  
25 earned premiums.

26 “(d) Any anticipated change in the number of enrollees if the proposed premium rate is ap-  
27 proved.

28 “(e) Changes to covered benefits or health benefit plan design.

29 “(f) Changes in the insurer’s health care cost containment and quality improvement efforts since  
30 the insurer’s last rate filing for the same category of health benefit plan.

31 “(g) Whether the proposed change in the premium rate is necessary to maintain the insurer’s  
32 solvency or to maintain rate stability and prevent excessive rate increases in the future.

33 “(h) Any public comments received under ORS 743.019 pertaining to the standards set forth in  
34 subsection (4) of this section and this subsection.

35 “(6) With the written consent of the insurer, the director may modify a schedule or table of  
36 premium rates filed in accordance with subsection (1) of this section.

37 “(7) The requirements of this section do not supersede other provisions of law that require  
38 insurers, health care service contractors or multiple employer welfare arrangements providing  
39 health insurance to file schedules or tables of premium rates or proposed premium rates with the  
40 director or to seek the director’s approval of rates or changes to rates.

41 “**SECTION 3. The amendments to ORS 743.018 and 743.019 by sections 1 and 2 of this 2011**  
42 **Act apply to rate filings for periods of coverage that begin on or after the effective date of**  
43 **this 2011 Act.”.**

44 In line 23, delete “3” and insert “4”.