

Senate Bill 857

Sponsored by COMMITTEE ON HEALTH CARE, HUMAN SERVICES AND RURAL HEALTH POLICY

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**.

Prohibits health insurer from unilaterally reducing or modifying contracted reimbursement rate due to primary care provider having claims totaling less than \$1,000 in prior six months. Creates cause of action, specifies damages and authorizes injunctive relief. Requires court to award prevailing provider reasonable attorney fees, costs and disbursements.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to reimbursement of primary care providers by health insurers; and declaring an emer-
3 gency.

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

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. (1) As used in this section:**

7 (a) **"Health insurer" means an insurer engaged in the business of health insurance.**

8 (b) **"Primary care provider" means:**

9 (A) **A nurse practitioner who is certified by the Oregon State Board of Nursing under**
10 **ORS 678.375 and who is acting within the scope of practice for a nurse practitioner;**

11 (B) **A physician licensed under ORS chapter 677 whose specialty is family practice, gen-**
12 **eral practice, internal medicine, pediatrics or obstetrics and gynecology; and**

13 (C) **A naturopathic physician licensed under ORS chapter 685.**

14 (c) **"Provider" means a primary care provider whose claims for reimbursement against**
15 **a health insurer total no more than \$1,000 during the six-month period preceding the**
16 **provider's last claim for reimbursement submitted to the health insurer.**

17 (2) **A health insurer may not unilaterally reduce or modify a fee or a rate of reimburse-**
18 **ment due to a provider for services rendered during the term of a contract between the**
19 **health insurer and the provider, or compel a provider to bring suit against the insurer to**
20 **secure full payment of such fee or reimbursement.**

21 (3) **A contract between a health insurer and a provider may not contain a provision that**
22 **limits the rights and remedies available to a provider under this section or that has the ef-**
23 **fect of relieving the health insurer of the health insurer's obligations under this section.**

24 (4) **A provider shall have a cause of action against a health insurer for a violation of**
25 **subsection (2) of this section for the greater of actual damages or \$5,000, and for appropriate**
26 **injunctive relief. An action under this subsection may be brought in the courts for the**
27 **county where the provider resides or where the provider maintains a practice. In any action**
28 **brought under this subsection, the court shall award the prevailing provider reasonable at-**
29 **torney fees, costs, disbursements and any other relief that the court deems proper.**

30 (5) **The remedies under this section are in addition to and not in lieu of any actions the**

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 Department of Consumer and Business Services may take to enforce the Insurance Code,
2 including but not limited to the revocation or suspension of a health insurer's certificate of
3 authority.

4 SECTION 3. 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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