

A-Engrossed
House Bill 2432

Ordered by the House April 10
Including House Amendments dated April 10

Sponsored by Representative GELSER, Senator STEINER HAYWARD; Representatives BAILEY, DEMBROW, DOHERTY, FREDERICK, GREENLICK, TOMEI (Pre-session 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.

Prohibits cost-sharing for health services, medications and supplies medically necessary for management of diabetes during pregnancy *[and for]* **through** six weeks postpartum.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cost-sharing for coverage of maternal diabetes management; creating new provisions;
3 amending ORS 750.055 and 750.333; and declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. A health benefit plan, as defined in ORS 743.730, may not require a**
7 **copayment or impose a coinsurance requirement or a deductible on the covered health ser-**
8 **vices, medications and supplies that are medically necessary for a woman to manage her**
9 **diabetes from conception through six weeks postpartum.**

10 **SECTION 3. ORS 750.055, as amended by section 3, chapter 21, Oregon Laws 2012, is amended**
11 **to read:**

12 750.055. (1) The following provisions of the Insurance Code apply to health care service con-
13 tractors to the extent not inconsistent with the express provisions of ORS 750.005 to 750.095:

14 (a) ORS 705.137, 705.139, 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386,
15 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.488, 731.504, 731.508, 731.509, 731.510,
16 731.511, 731.512, 731.574 to 731.620, 731.592, 731.594, 731.640 to 731.652, 731.730, 731.731, 731.735,
17 731.737, 731.750, 731.752, 731.804, 731.844 to 731.992, 731.870 and 743.061.

18 (b) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.592, not
19 including ORS 732.582.

20 (c) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
21 to 733.780.

22 (d) ORS chapter 734.

23 (e) ORS 742.001 to 742.009, 742.013, 742.061, 742.065, 742.150 to 742.162, 742.400, 742.520 to
24 742.540, 743.010, 743.013, 743.018 to 743.030, 743.050, 743.100 to 743.109, 743.402, 743.472, 743.492,
25 743.495, 743.498, 743.499, 743.522, 743.523, 743.524, 743.526, 743.527, 743.528, 743.529, 743.549 to
26 743.552, 743.560, 743.600 to 743.610, 743.650 to 743.656, 743.764, 743.804, 743.807, 743.808, 743.814 to
27 743.839, 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858, 743.859, 743.861, 743.862, 743.863,

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.

1 743.864, 743.894, 743.911, 743.912, 743.913, 743.917, 743A.010, 743A.012, 743A.020, 743A.034, 743A.036,
2 743A.048, 743A.058, 743A.062, 743A.064, 743A.065, 743A.066, 743A.068, 743A.070, 743A.080, 743A.084,
3 743A.088, 743A.090, 743A.100, 743A.104, 743A.105, 743A.110, 743A.140, 743A.141, 743A.144, 743A.148,
4 743A.160, 743A.164, 743A.168, 743A.170, 743A.175, 743A.184, 743A.185, 743A.188, 743A.190 and
5 743A.192 and section 2, chapter 21, Oregon Laws 2012 **and section 2 of this 2013 Act.**

6 (f) The provisions of ORS chapter 744 relating to the regulation of insurance producers.

7 (g) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
8 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

9 (h) ORS 743A.024, except in the case of group practice health maintenance organizations that
10 are federally qualified pursuant to Title XIII of the Public Health Service Act unless the patient is
11 referred by a physician associated with a group practice health maintenance organization.

12 (i) ORS 735.600 to 735.650.

13 (j) ORS 743.680 to 743.689.

14 (k) ORS 744.700 to 744.740.

15 (L) ORS 743.730 to 743.773.

16 (m) ORS 731.485, except in the case of a group practice health maintenance organization that
17 is federally qualified pursuant to Title XIII of the Public Health Service Act and that wholly owns
18 and operates an in-house drug outlet.

19 (2) For the purposes of this section, health care service contractors shall be deemed insurers.

20 (3) Any for-profit health care service contractor organized under the laws of any other state that
21 is not governed by the insurance laws of the other state is subject to all requirements of ORS
22 chapter 732.

23 (4) The Director of the Department of Consumer and Business Services may, after notice and
24 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
25 and 750.045 that are deemed necessary for the proper administration of these provisions.

26 **SECTION 4.** ORS 750.333, as amended by section 4, chapter 21, Oregon Laws 2012, is amended
27 to read:

28 750.333. (1) The following provisions of the Insurance Code apply to trusts carrying out a mul-
29 tiple employer welfare arrangement:

30 (a) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316, 731.324, 731.328,
31 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414, 731.418 to 731.434, 731.454, 731.484,
32 731.486, 731.488, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 to 731.992 and 743.061.

33 (b) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695 to 733.780.

34 (c) ORS chapter 734.

35 (d) ORS 742.001 to 742.009, 742.013, 742.061 and 742.400.

36 (e) ORS 743.028, 743.053, 743.499, 743.524, 743.526, 743.527, 743.528, 743.529, 743.530, 743.560,
37 743.562, 743.600, 743.601, 743.602, 743.610, 743.730 to 743.773 (except 743.760 to 743.773), 743.801,
38 743.804, 743.807, 743.808, 743.814 to 743.839, 743.842, 743.845, 743.847, 743.854, 743.856, 743.857,
39 743.858, 743.859, 743.861, 743.862, 743.863, 743.864, 743.894, 743.912, 743.917, 743A.012, 743A.020,
40 743A.034, 743A.052, 743A.064, 743A.065, 743A.080, 743A.100, 743A.104, 743A.110, 743A.144, 743A.170,
41 743A.175, 743A.184 and 743A.192 and section 2, chapter 21, Oregon Laws 2012 **and section 2 of this**
42 **2013 Act.**

43 (f) ORS 743A.010, 743A.014, 743A.024, 743A.028, 743A.032, 743A.036, 743A.040, 743A.048,
44 743A.058, 743A.066, 743A.068, 743A.070, 743A.084, 743A.088, 743A.090, 743A.105, 743A.140, 743A.141,
45 743A.148, 743A.168, 743A.180, 743A.185, 743A.188 and 743A.190. Multiple employer welfare arrange-

1 ments to which ORS 743.730 to 743.773 apply are subject to the sections referred to in this para-
2 graph only as provided in ORS 743.730 to 743.773.

3 (g) Provisions of ORS chapter 744 relating to the regulation of insurance producers and insur-
4 ance consultants, and ORS 744.700 to 744.740.

5 (h) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

6 (i) ORS 731.592 and 731.594.

7 (j) ORS 731.870.

8 (2) For the purposes of this section:

9 (a) A trust carrying out a multiple employer welfare arrangement shall be considered an insurer.

10 (b) References to certificates of authority shall be considered references to certificates of mul-
11 tiple employer welfare arrangement.

12 (c) Contributions shall be considered premiums.

13 (3) The provision of health benefits under ORS 750.301 to 750.341 shall be considered to be the
14 transaction of health insurance.

15 **SECTION 5. Section 2 and the amendments to ORS 750.055 and 750.333 by sections 3 and**
16 **4 of this 2013 Act apply to health benefit plans issued or renewed on or after January 1, 2014.**

17 **SECTION 6. This 2013 Act being necessary for the immediate preservation of the public**
18 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
19 **on its passage.**

20

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2432 - A**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Kim To
Reviewed by: Linda Ames, Susie Jordan
Date: 4/9/2013

Measure Description:

Prohibits cost-sharing for health services, medications and supplies medically necessary for management of diabetes during pregnancy and for six weeks postpartum.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

HB 2432 prohibits health benefit plans from imposing cost sharing (copayment, coinsurance, deductible) on covered health services, medications or supplies that are medically necessary for diabetes management for pregnant women at conception and for six weeks postpartum. This requirement applies to health benefit plans issued or renewed on or after January 1, 2014. The bill contains an emergency clause and takes effect on its passage.

Note that the bill does not specify if coverage is intended for [1] mothers who were previously diabetic (type I or II); [2] those with gestational diabetes resulting from pregnancy; or [3] both. Also note that "health services" is not defined.

Oregon Health Authority (OHA)

Passage of this bill is anticipated to result in additional premium increases to the Oregon Educators Benefit Board (OEBB) medical plans. Currently, member cost sharing is included in OEBB coverage of diabetic supplies and medications. According to ODS Health Plans (OEBB's largest insurance carrier), removing cost sharing could result in an additional premium increase of less than 0.1 percent to the OEBB medical plans ODS administers. Assuming the impact on all OEBB medical plans is consistent with this ODS estimate, OHA calculates that passage of this bill could result in an estimated \$612,465 Other Funds Non-Limited increase to medical premium rates for the 2013-15 biennium; and \$1,224,929 Other Funds Non-Limited for the 2015-17 biennium.

Note that the Oregon Educators Revolving Fund (ORS 243.884) authorizes OEBB to collect employee and employer contributions for pass-thru of benefit premiums to insurance carriers for eligible members. Any proposed legislation resulting in a fiscal impact on revenues or expenditures with regard to insurance premiums provided by OEBB will impact any educational entity that has mandated or elective coverage under OEBB. These entities include school districts, community colleges, education service districts and some charter schools.

Passage of this bill will have no fiscal impact on the Public Employees' Benefit Board (PEBB) because PEBB plans currently cover these services as medically necessary at the prescribed benefit level.

Department of Consumer and Business Services (DCBS)

DCBS anticipates a minimal fiscal impact from the workload associated with rulemaking, consumer education, and enforcement associated with passage of this bill.

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	8 - 0 - 1
Yeas:	Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Weidner, Greenlick
Nays:	0
Exc.:	Clem
Prepared By:	Tyler Larson, Administrator
Meeting Dates:	2/6, 4/5, 4/8

WHAT THE MEASURE DOES: Prohibits health benefit plans from imposing copayment, coinsurance requirement or deductible on covered health services, medications or supplies medically necessary for management of diabetes from conception through six weeks postpartum. Clarifies that cost-sharing prohibition is only for health services, medications and supplies medically necessary for a pregnant woman to manager her diabetes. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Financial barriers to necessary medical treatment for diabetic women who become pregnant
- Fetal risks in during first 6-12 weeks of pregnancy
- Personal experience as pregnant diabetic
- Costs to insurers
- Fiscal impact

EFFECT OF COMMITTEE AMENDMENT: Clarifies that the prohibition on cost sharing extends from conception through six weeks postpartum. Clarifies that cost-sharing prohibition is only for health services, medications and supplies medically necessary for a pregnant woman to manager her diabetes.

BACKGROUND: Diabetic women who become pregnant have a higher risk of birth abnormalities, in utero or neonatal demise, as well as delivery problems as a result of the fetus' exposure to high blood sugars. These women also face a higher risk of pre-eclampsia, placenta previa and other conditions than non-diabetic pregnant women. Diabetic women who become pregnant require increased testing, prescriptions, supplies, equipment and required weekly visits to ensure their health and safety. Proponents assert that these women with commercial insurance face increased barriers to accessing the necessary pre-natal care.

House Bill 2432-A prohibits cost sharing for health services, medications and supplies medically necessary for a pregnant woman to manager her diabetes from conception to six weeks postpartum.