

# Regence BlueCross BlueShield of Oregon Supports SB 166

What the bill does:

Changes the way we think about communications between health insurers and their customers by allowing the health insurer to make the decision to primarily communicate with their customers electronically while at the same time allowing choice for the customer that prefers traditional paper/mail communications.

- (1) Allows health insurers to elect to communicate with customers electronically, except for notices required for cancellation or nonrenewal (as provided in ORS 743.499).
- (2) Gives customers the choice of receiving communications from their health insurer on paper through the mail by requiring health insurers that elect to communicate electronically to give their customers the option of continuing to receive communications on paper through the mail.

Why the change in the law is needed:

- (1) **The Health Insurance market will soon be an electronic one** - Beginning next year, many individuals will be buying health insurance on the internet through the exchange (Cover Oregon). As this transition occurs, it makes sense to align how people will be purchasing health insurance in the future with how insurers and their customers will communicate in the future.
- (2) **Faster Customer Access** - Customers who receive communications electronically will have faster access to their claims information. For example, paper explanation of benefits notices can take up to 17 days from the time of claims processing to reach member's mailboxes. That same claim processing information is usually available electronically within 24 hours.
- (3) **Administrative cost savings** - Currently, Regence spends about \$195,000 per month just printing and mailing explanation of benefits notices in Oregon, the most common notices sent, but by far not the only notices sent.
- (4) **Environment** - Currently, Regence prints and mails over 600,000 pieces of paper each month, which is roughly 50 trees worth. By evolving to electronic means of communications, health insurers will use less paper.