

D R A F T

SUMMARY

Requires insurers to comply with coordination of benefits guidelines adopted by Director of Department of Consumer and Business Services by rule. Expands procedures covered under guidelines to include determination by insurers of amount of benefits payable and notification of amount determined to insured and provider. Requires director to resolve disputes between insurers regarding amount of benefits payable.

A BILL FOR AN ACT

1
2 Relating to coordination of health insurance benefits; amending ORS 743.549
3 and 743.552; and repealing ORS 743.459 and 743.462.

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

5 **SECTION 1.** ORS 743.549 is amended to read:

6 743.549. (1) [*No group or blanket health insurance policy providing hospi-*
7 *tal, medical or surgical expense benefits, and which contains a provision for*
8 *the reduction of benefits otherwise payable thereunder on the basis of other*
9 *existing coverages, shall provide that such reduction operates to reduce total*
10 *benefits payable below an amount equal to 100 percent of total allowable ex-*
11 *penses, except as provided for in a collective bargaining agreement.*] **A group**
12 **or blanket health insurance policy providing hospital, medical or sur-**
13 **gical expense benefits and containing a provision for the reduction of**
14 **benefits otherwise payable under the policy on the basis of other ex-**
15 **isting coverages may not operate to reduce total benefits payable be-**
16 **low an amount equal to 100 percent of total allowable expenses, except**
17 **as provided for in a collective bargaining agreement.**

18 **(2) An insurer offering a policy containing a provision described in**

1 **this section shall comply with rules adopted by the Director of the**
2 **Department of Consumer and Business Services under ORS 743.552.**

3 **SECTION 2.** ORS 743.552 is amended to read:

4 743.552. The Director of the Department of Consumer and Business Ser-
5 vices shall by rule establish guidelines for the application of ORS 743.549,
6 including:

7 (1) The procedures by which persons insured under such policies are to
8 be made aware of the existence of such a provision **and of the procedures**
9 **described in subsection (5) of this section;**

10 (2) The benefits which may be subject to such a provision;

11 (3) The effect of such a provision on the benefits provided;

12 (4) Establishment of the order of benefit determination; and

13 (5) Reasonable claim administration procedures to expedite **and ensure**
14 **the accuracy of** claim payments under such a provision, which shall
15 include:

16 (a) **Steps that insurers must take in carrying out such a provision**
17 **to ensure that the requirements of ORS 743.549 are met;**

18 (b) **Resolution by the director of any disputes arising between the**
19 **primary insurer and other insurers providing coverage subject to such**
20 **a provision;**

21 (c) **Notification to the insured and to a provider of the amount de-**
22 **termined by the primary insurer to be payable to the provider; and**

23 (d) A time limit of 14 days beyond which [*the*] **an** insurer shall not delay
24 payment of a claim by reason of the application of coordination of benefits
25 provision.

26 **SECTION 3. ORS 743.459 and 743.462 are repealed.**

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