

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Baertschiger, George, Monnes Anderson, Prozanski, Shields
Nays:	0
Exc.:	0
Prepared By:	Channa Newell, Administrator
Meeting Dates:	2/6, 3/20, 3/27

WHAT THE MEASURE DOES: Requires insurer offering individual and small business health benefit plan send annual notice to individual policyholders and certificate holders with information on how individual may receive notice from Department of Consumer and Business Services (DCBS) on rate filings and public hearings. Specifies notice must include DCBS website and toll free number for consumer advocates. Allows insurer to include specified information within annual policy renewal notice or enrollment confirmation. Requires Director post detailed explanation of standards for approved individual or small business benefit plan rate filings on DCBS webpage. Requires DCBS consider factors in determining reasonability, adequacy, and discriminatory effects of proposed rate; makes mandatory currently permissive factors Director may consider regarding proposed premium rates for small employers or individual health benefit plans. Declares emergency; prescribes effective date of October 1, 2013.

ISSUES DISCUSSED:

- Efforts to increase consumer participation in rate review process
- Current rate review process
- Regulations on small group and portable insurers
- Privacy concerns

EFFECT OF COMMITTEE AMENDMENT: Requires insurer offering individual and small business health benefit plan send annual notice to individual policyholders and certificate holders with information on how individual may receive notice from Department of Consumer and Business Services (DCBS) on rate filings and public hearings. Specifies notice include DCBS website and toll free number for consumer advocates. Allows insurer to include specified information within annual policy renewal notice or enrollment confirmation. Declares emergency; prescribes effective date of October 1, 2013.

BACKGROUND: Under current Oregon law, changes to premium schedules and rates for individual and small business health benefit plans must be filed with the Director of the Department of Consumer and Business Services (DCBS), who is required to open a 30-day public comment period and must post all comments to the DCBS website. In order to determine approval or disapproval of a rate change, the Director determines whether the proposed rates are actuarially sound, reasonable and not excessive, inadequate or unfairly discriminatory, and based upon reasonable administrative expenses. Under ORS 743.018, the Director may, but is not required to, consider numerous factors to determine whether proposed rate increases are reasonable and not excessive, inadequate or unfairly discriminatory.

Senate Bill 413-A requires insurers to notify policyholders, at least once a year, of how to participate in the rate review process. Additionally, the measure makes mandatory the currently permissive factors the Director may consider.

3/28/2013 12:18:00 PM

This summary has not been adopted or officially endorsed by action of the committee.