

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 3 - 0
Yeas:	Clem, Harker, Keny-Guyer, Lively, Thompson, Greenlick
Nays:	Conger, Kennemer, Weidner
Exc.:	0
Prepared By:	Tyler Larson, Administrator
Meeting Dates:	5/15, 5/22, 5/29

WHAT THE MEASURE DOES: Requires annual notice, enrollment and renewal notices and all marketing materials, newsletters and communications from insurer to enrollee in individual and small business health benefit plan contain information about rate review process and how to provide comments and participate in public hearings, address of DCBS rate review website, instructions for how to sign up to receive rate filing notifications and instructions for how to receive rate filing notifications in formats other than DCBS electronic mailing list. Requires insurers subscribe requesting enrollees on DCBS electronic notification system. 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 rate for small employers or individual health benefit plans. Requires DCBS and Oregon Health Authority (OHA) develop standards for evaluating insurers' cost containment and evaluate cost containment goals and results when reviewing rate requests. Requires DCBS establish public process to determine annually official medical trend to be used in all rate review filings. Requires insurers establish how their population varies to justify variance from established trend. Declares emergency; effective date of October 1, 2013.

ISSUES DISCUSSED:

- Impact on insurers
- Provisions and impact of amendment

EFFECT OF COMMITTEE AMENDMENT: Requires annual notice, enrollment and renewal notices and all marketing materials, newsletters and communications from insurer to enrollee in individual and small business health benefit plan contain information about rate review process and how to provide comments and participate in public hearings, address of DCBS rate review website, instructions for how to sign up to receive rate filing notifications and instructions for how to receive rate filing notifications in formats other than DCBS electronic mailing list. Requires insurers subscribe requesting enrollees on DCBS electronic notification system. Requires DCBS and Oregon Health Authority (OHA) develop standards for evaluating insurers' cost containment and evaluate cost containment goals and results when reviewing rate requests. Requires DCBS establish public process to determine annually official medical trend to be used in all rate review filings. Requires insurers establish how their population differs to justify variance from established trend.

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 post all comments to the DCBS website. In order to determine approval or disapproval of 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. Senate Bill 413-B adds further requirements designed to bend the cost curve by requiring certain factors which are currently permissive be considered, requiring insurers inform the public on the review process in all communications, ensuring rates reflect cost containment efforts and requiring proposals be in line with an established medical trend.

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