

House Bill 2118

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Health Care)

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 **as introduced**.

Specifies additional criteria for certifying health plans to participate in Oregon Health Insurance Exchange. Exempts qualified health plans from 10-day grace period for nonpayment of premiums.

A BILL FOR AN ACT

1
2 Relating to qualified health plans offered through the Oregon Health Insurance Exchange; amending
3 ORS 741.310 and 743.417.

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

5 **SECTION 1.** ORS 741.310, as amended by section 10, chapter 38, Oregon Laws 2012, and section
6 96, chapter 107, Oregon Laws 2012, is amended to read:

7 741.310. (1) The following individuals and groups may purchase qualified health plans through
8 the health insurance exchange:

9 (a) Beginning January 1, 2014:

10 (A) Individuals and families; and

11 (B) Employers with no more than 50 employees.

12 (b) Beginning October 1, 2015, districts and eligible employees of districts that are subject to
13 ORS 243.886, unless their participation is precluded by federal law.

14 (c) Beginning January 1, 2016, employers with 51 to 100 employees.

15 (2)(a) Only individuals who purchase health plans through the exchange may be eligible to re-
16 ceive premium tax credits under section 36B of the Internal Revenue Code and reduced cost-sharing
17 under 42 U.S.C. 18071.

18 (b) Only employers that purchase health plans through the exchange may be eligible to receive
19 small employer health insurance credits under section 45R of the Internal Revenue Code.

20 (3) Only an insurer that has a certificate of authority to transact insurance in this state and
21 that meets applicable federal requirements for participating in the exchange may offer a qualified
22 health plan through the exchange. Any qualified health plan must be certified under subsection (4)
23 of this section. Prepaid managed care health services organizations that do not have a certificate
24 of authority to transact insurance may serve only medical assistance recipients through the ex-
25 change and may not offer qualified health plans.

26 (4)(a) The Oregon Health Insurance Exchange Corporation shall adopt by rule uniform require-
27 ments, standards and criteria for the certification of qualified health plans, including requirements
28 that a qualified health plan provide, at a minimum, essential health benefits and have acceptable
29 consumer and provider satisfaction ratings. **The criteria must also take into account:**

30 **(A) The reasonableness of the estimated costs used by the insurer in the calculation of**

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 **premiums and cost-sharing levels in a plan;**

2 **(B) The past performance of the insurer;**

3 **(C) The insurer's quality improvement activities;**

4 **(D) The extent and scope of the provider network under a plan;**

5 **(E) The plan's service area; and**

6 **(F) Past premium rate increases and proposed rate increases for the plan.**

7 (b) The corporation may limit the number of qualified health plans that may be offered through
8 the exchange as long as the same limit applies to all insurers.

9 (c) The corporation shall consult with stakeholders, including but not limited to representatives
10 of school administrators, school board members and school employees, regarding the plans that may
11 be offered through the exchange to districts and eligible employees of districts under subsection
12 (1)(b) of this section.

13 (5) Notwithstanding subsection (4) of this section, the corporation shall certify as qualified a
14 dental only health plan as permitted by federal law.

15 (6) The corporation shall establish one streamlined and seamless application and enrollment
16 process for both the exchange and the state medical assistance program.

17 (7) The corporation, in collaboration with the appropriate state authorities, may establish risk
18 mediation programs within the exchange.

19 (8) The corporation shall establish by rule a process for certifying insurance producers to fa-
20 cilitate the transaction of insurance through the exchange, in accordance with federal standards and
21 policies.

22 (9) The corporation shall ensure, as required by federal laws, that an insurer charges the same
23 premiums for plans sold through the exchange as for identical plans sold outside of the exchange.

24 (10) The corporation is authorized to enter into contracts for the performance of duties, func-
25 tions or operations of the exchange, including but not limited to contracting with:

26 (a) All insurers that meet the requirements of subsections (3) and (4) of this section, to offer
27 qualified health plans through the exchange; and

28 (b) Navigators certified by the corporation under ORS 741.002.

29 (11) The corporation is authorized to apply for and accept federal grants, other federal funds
30 and grants from nongovernmental organizations for purposes of developing, implementing and ad-
31 ministering the exchange. Moneys received under this subsection shall be deposited in an account
32 established under ORS 741.101.

33 **SECTION 2.** ORS 741.310, as amended by section 12, chapter 415, Oregon Laws 2011, section
34 11, chapter 38, Oregon Laws 2012, and section 97, chapter 107, Oregon Laws 2012, is amended to
35 read:

36 741.310. (1) The following individuals and groups may purchase qualified health plans through
37 the health insurance exchange:

38 (a) Individuals and families;

39 (b) Employers with no more than 100 employees; and

40 (c) Districts and eligible employees of districts that are subject to ORS 243.886, unless their
41 participation is precluded by federal law.

42 (2)(a) Only individuals who purchase health plans through the exchange may be eligible to re-
43 ceive premium tax credits under section 36B of the Internal Revenue Code and reduced cost-sharing
44 under 42 U.S.C. 18071.

45 (b) Only employers that purchase health plans through the exchange may be eligible to receive

1 small employer health insurance credits under section 45R of the Internal Revenue Code.

2 (3) Only an insurer that has a certificate of authority to transact insurance in this state and
 3 that meets applicable federal requirements for participating in the exchange may offer a qualified
 4 health plan through the exchange. Any qualified health plan must be certified under subsection (4)
 5 of this section. Prepaid managed care health services organizations that do not have a certificate
 6 of authority to transact insurance may serve only medical assistance recipients through the ex-
 7 change and may not offer qualified health plans.

8 (4)(a) The Oregon Health Insurance Exchange Corporation shall adopt by rule uniform require-
 9 ments, standards and criteria for the certification of qualified health plans, including requirements
 10 that a qualified health plan provide, at a minimum, essential health benefits and have acceptable
 11 consumer and provider satisfaction ratings. **The criteria must also take into account:**

12 **(A) The reasonableness of the estimated costs used by the insurer in the calculation of**
 13 **premiums and cost-sharing levels in a plan;**

14 **(B) The past performance of the insurer;**

15 **(C) The insurer’s quality improvement activities;**

16 **(D) The extent and scope of the provider network under a plan;**

17 **(E) The plan’s service area; and**

18 **(F) Past premium rate increases and proposed rate increases for the plan.**

19 (b) The corporation may limit the number of qualified health plans that may be offered through
 20 the exchange as long as the same limit applies to all insurers.

21 (c) The corporation shall consult with stakeholders, including but not limited to representatives
 22 of school administrators, school board members and school employees, regarding the plans that may
 23 be offered through the exchange to districts and eligible employees of districts under subsection
 24 (1)(c) of this section.

25 (5) Notwithstanding subsection (4) of this section, the corporation shall certify as qualified a
 26 dental only health plan as permitted by federal law.

27 (6) The corporation shall establish one streamlined and seamless application and enrollment
 28 process for both the exchange and the state medical assistance program.

29 (7) The corporation, in collaboration with the appropriate state authorities, may establish risk
 30 mediation programs within the exchange.

31 (8) The corporation shall establish by rule a process for certifying insurance producers to fa-
 32 cilitate the transaction of insurance through the exchange, in accordance with federal standards and
 33 policies.

34 (9) The corporation shall ensure, as required by federal laws, that an insurer charges the same
 35 premiums for plans sold through the exchange as for identical plans sold outside of the exchange.

36 (10) The corporation is authorized to enter into contracts for the performance of duties, func-
 37 tions or operations of the exchange, including but not limited to contracting with:

38 (a) Insurers that meet the requirements of subsections (3) and (4) of this section, to offer quali-
 39 fied health plans through the exchange; and

40 (b) Navigators certified by the corporation under ORS 741.002.

41 (11) The corporation is authorized to apply for and accept federal grants, other federal funds
 42 and grants from nongovernmental organizations for purposes of developing, implementing and ad-
 43 ministering the exchange. Moneys received under this subsection shall be deposited in an account
 44 established under ORS 741.101.

45 **SECTION 3.** ORS 743.417 is amended to read:

1 743.417. (1) An individual health insurance policy, **other than a policy offered through the**
2 **Oregon Health Insurance Exchange**, shall contain a provision as follows: “GRACE PERIOD: A
3 minimum grace period of 10 days after the premium due date will be granted for the payment of each
4 premium falling due after the first premium, during which grace period the policy shall continue in
5 force.”

6 (2) A policy that contains a cancellation provision may add the following clause at the end of
7 the provision set forth in subsection (1) of this section: “subject to the right of the insurer to cancel
8 in accordance with the cancellation provision hereof.”

9 (3) A policy in which the insurer reserves the right to refuse renewal shall have the following
10 clause at the beginning of the provision set forth in subsection (1) of this section: “Unless not less
11 than 30 days prior to the premium due date the insurer has delivered to the insured or has mailed
12 to the last address of the insured as shown by the records of the insurer written notice of its in-
13 tention not to renew this policy beyond the period for which the premium has been accepted. The
14 insurer shall state in the notice the reason for its refusal to renew this policy.”

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