

# House Bill 3037

Sponsored by Representative FREDERICK; Representatives BARTON, BOONE, DOHERTY, GREENLICK, WILLIAMSON

## 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**.

Prohibits Director of Department of Consumer and Business Services from approving rate filing for health benefit plan that reimburses serious adverse events. Defines "serious adverse event."  
Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to health insurance; creating new provisions; amending ORS 743.018; and declaring an  
3 emergency.

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

5 **SECTION 1.** ORS 743.018 is amended to read:

6 743.018. (1) Except for group life and health insurance, and except as provided in ORS 743.015,  
7 every insurer shall file with the Director of the Department of Consumer and Business Services all  
8 schedules and tables of premium rates for life and health insurance to be used on risks in this state,  
9 and shall file any amendments to or corrections of such schedules and tables. Premium rates are  
10 subject to approval, disapproval or withdrawal of approval by the director as provided in ORS  
11 742.003, 742.005 and 742.007.

12 (2) Except as provided in ORS 743.737 and 743.760 and subsection (3) of this section, a rate filing  
13 by a carrier for any of the following health benefit plans subject to ORS 743.730 to 743.773 shall be  
14 available for public inspection immediately upon submission of the filing to the director:

15 (a) Health benefit plans for small employers.

16 (b) Portability health benefit plans.

17 (c) Individual health benefit plans.

18 (3) The director may by rule:

19 (a) Specify all information a carrier must submit as part of a rate filing under this section; and

20 (b) Identify the information submitted that will be exempt from disclosure under this section  
21 because the information constitutes a trade secret and would, if disclosed, harm competition.

22 (4) The director, after conducting an actuarial review of the rate filing, may approve a proposed  
23 premium rate for a health benefit plan for small employers or for an individual health benefit plan  
24 if, in the director's discretion, the proposed rates are:

25 (a) Actuarially sound;

26 (b) Reasonable and not excessive, inadequate or unfairly discriminatory; and

27 (c) Based upon reasonable administrative expenses.

28 (5) In order to determine whether the proposed premium rates for a health benefit plan for small  
29 employers or for an individual health benefit plan are reasonable and not excessive, inadequate or  
30 unfairly discriminatory, the director may consider:

**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 (a) The insurer's financial position, including but not limited to profitability, surplus, reserves  
2 and investment savings.

3 (b) Historical and projected administrative costs and medical and hospital expenses.

4 (c) Historical and projected loss ratio between the amounts spent on medical services and  
5 earned premiums.

6 (d) Any anticipated change in the number of enrollees if the proposed premium rate is approved.

7 (e) Changes to covered benefits or health benefit plan design.

8 (f) Changes in the insurer's health care cost containment and quality improvement efforts since  
9 the insurer's last rate filing for the same category of health benefit plan.

10 (g) Whether the proposed change in the premium rate is necessary to maintain the insurer's  
11 solvency or to maintain rate stability and prevent excessive rate increases in the future.

12 (h) Any public comments received under ORS 743.019 pertaining to the standards set forth in  
13 subsection (4) of this section and this subsection.

14 **(6)(a) The director may not approve a proposed premium rate for any health benefit plan**  
15 **as defined in ORS 743.730 unless the carrier submitting the rate filing certifies that, in the**  
16 **carrier's contracts with providers and other business arrangements, the carrier does not**  
17 **reimburse for serious adverse events and does not allow the provider to bill an insured for**  
18 **a serious adverse event.**

19 **(b) As used in this subsection, "serious adverse event" means a health care service that**  
20 **is not covered by Medicare because the service is related to a health care acquired condition.**

21 [(6)] (7) With the written consent of the insurer, the director may modify a schedule or table  
22 of premium rates filed in accordance with subsection (1) of this section.

23 [(7)] (8) The requirements of this section do not supersede other provisions of law that require  
24 insurers, health care service contractors or multiple employer welfare arrangements providing  
25 health insurance to file schedules or tables of premium rates or proposed premium rates with the  
26 director or to seek the director's approval of rates or changes to rates.

27 **SECTION 2. The amendments to ORS 743.018 by section 1 of this 2013 Act apply to rate**  
28 **filings for periods of coverage that begin on or after the effective date of this 2013 Act.**

29 **SECTION 3. This 2013 Act being necessary for the immediate preservation of the public**  
30 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
31 **on its passage.**

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