

# Enrolled Senate Bill 166

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CHAPTER .....

## AN ACT

Relating to electronic communications from health insurers; amending ORS 743.777; and prescribing an effective date.

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

**SECTION 1.** ORS 743.777 is amended to read:

743.777. (1) As used in [subsections (2) to (6) of] this section:

- (a) "Explanation of benefits" means claim processing advice or notification of action on claims.
- (b) "Payment, remittance and reconciliation information" means all information required for premium billing or invoicing, facilitating timely electronic payment of premiums due, delinquency notification, final billing notification or termination of coverage.
- (c) "Plan renewal information" means all correspondence and materials related to an offer to renew insurance provided by an insurer to a health insurance purchaser.
- (d) "Quote information" means all correspondence and materials related to an offer to insure or a rate quotation provided by an insurer to a health insurance purchaser.
- (e) "Sale and enrollment information" means all information documenting the sale of a policy or certificate of health insurance, the renewal of a policy or certificate of health insurance, the enrollment of members in a group health insurance plan or the enrollment of an individual in an individual health insurance plan, including but not limited to:
  - (A) The application for insurance;
  - (B) Initial and ongoing documentation required by the insurer to be provided by an insured to establish eligibility and enrollment, adjudicate and process claims and prove prior creditable coverage or duplicate coverage;
  - (C) Premium information;
  - (D) Documentation of the payment of a premium; and
  - (E) Membership identification cards.

(2) **Notwithstanding any other provision of law**, in the administration of small employer group health insurance or individual health insurance, an insurer may **elect to** communicate one or more of the following by electronic means:

- (a) Quote information.
- (b) Sale and enrollment information.
- (c) Payment, remittance and reconciliation information **except notices required by ORS**

**743.499 and 743.565.**

- (d) Explanation of benefits.
- (e) Plan renewal information.
- (f) Notifications required by law.
- (g) Other communications, documentation, revisions or materials otherwise provided on paper.

**(3) An insurer that elects to communicate by electronic means shall offer a small employer group member or individual applying for coverage and coverage renewal the option to receive by regular mail one or more of the types of communications described in subsection (2) of this section.**

[(3)] **(4)** Electronic administration of small employer group or individual health insurance plans shall be transacted using secure systems specifically designed by the insurer for the purpose of electronic health insurance administration.

[(4)] **(5)** An insurer who elects to offer discounted rates for a health insurance plan utilizing electronic administration shall include the schedule of discounts for utilization of electronic administration as part of a small employer group health insurance or individual health insurance rate filing. The rate discounts may be graduated and must be proportionate to the amount of administrative cost savings the insurer anticipates as a result of the use of electronic transactions described in subsections (2) [and (3)] **to (4)** of this section.

[(5)] **(6)** Discounted rates allowed under [subsections (4) to (6)] **subsection (5)** of this section shall be applied uniformly to all similarly situated small employer group or individual health insurance purchasers of an insurer.

[(6)] **(7)** Discounts in premium rates under subsections [(4) to (6)] **(5) and (6)** of this section are not premium rate variations for purposes of ORS 743.737 (11) or 743.767.

[(7)] **(8)** [Subsections (1) to (6) of] This section [do] **does** not require an insurer to offer discounted rates for a health insurance plan utilizing electronic administration or require a small employer group or an individual health insurance purchaser to use electronic administration.

**SECTION 2. This 2013 Act takes effect on October 1, 2013.**

**Passed by Senate February 14, 2013**

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House May 9, 2013**

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Tina Kotek, Speaker of House

**Received by Governor:**

.....M.,....., 2013

**Approved:**

.....M.,....., 2013

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2013

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Kate Brown, Secretary of State