

Senate Bill 375

Sponsored by Senator BATES (Pre-session filed.)

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**.

Allows coordinated care organizations to offer qualified health plans through health insurance exchange to individuals who are not medical assistance recipients.

A BILL FOR AN ACT

1
2 Relating to health care; creating new provisions; amending ORS 741.300 and 741.310; and repealing
3 section 27, chapter 415, Oregon Laws 2011.

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

5 **SECTION 1.** ORS 741.300 is amended to read:

6 741.300. As used in ORS 741.001 to 741.540:

7 (1) **“Coordinated care organization” means an organization found by the Oregon Health**
8 **Authority to meet the criteria adopted under ORS 414.625.**

9 [(1)] (2) “Essential health benefits” means the health care services identified by the United
10 States Secretary of Health and Human Services pursuant to 42 U.S.C. 18022 or approved by the
11 secretary pursuant to a waiver granted under 42 U.S.C. 18052.

12 [(2)] (3) “Health care service contractor” has the meaning given that term in ORS 750.005.

13 [(3)] (4) “Health insurance” has the meaning given that term in ORS 731.162, excluding disability
14 income insurance.

15 [(4)] (5) “Health insurance exchange” or “exchange” means an American Health Benefit Ex-
16 change as described in 42 U.S.C. 18031, 18032, 18033 and 18041 that is operated by the Oregon
17 Health Insurance Exchange Corporation.

18 [(5)] (6) “Health plan” means health insurance or health care coverage offered by an insurer.

19 [(6)] (7) “Insurer” means an insurer as defined in ORS 731.106 that offers health insurance, a
20 health care service contractor, **a coordinated care organization** or a prepaid managed care health
21 services organization.

22 [(7)] (8) “Insurance producer” has the meaning given that term in ORS 731.104.

23 [(8)] (9) “Prepaid managed care health services organization” has the meaning given that term
24 in ORS 414.736.

25 [(9)] (10) “State program” means a program providing medical assistance, as defined in ORS
26 414.025, and any health plan offered through the Public Employees’ Benefit Board or the Oregon
27 Educators Benefit Board.

28 **SECTION 2.** ORS 741.310, as amended by section 12, chapter 415, Oregon Laws 2011, section
29 11, chapter 38, Oregon Laws 2012, and section 97, chapter 107, Oregon Laws 2012, is amended to
30 read:

31 741.310. (1) The following individuals and groups may purchase qualified health plans through

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 the health insurance exchange:

2 **(a) Beginning January 1, 2014:**

3 [(a)] **(A)** Individuals and families; **and**

4 [(b)] **(B)** Employers with no more than [100] **50** employees.[: and]

5 [(c)] **(b) Beginning October 1, 2015**, districts and eligible employees of districts that are subject
6 to ORS 243.886, unless their participation is precluded by federal law.

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

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

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

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

19 (4)(a) The Oregon Health Insurance Exchange Corporation shall adopt by rule uniform require-
20 ments, standards and criteria for the certification of qualified health plans, including requirements
21 that a qualified health plan provide, at a minimum, essential health benefits and have acceptable
22 consumer and provider satisfaction ratings.

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

25 (c) The corporation shall consult with stakeholders, including but not limited to representatives
26 of school administrators, school board members and school employees, regarding the plans that may
27 be offered through the exchange to districts and eligible employees of districts under subsection
28 [(1)(c)] **(1)(b)** of this section.

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

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

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

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

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

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

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

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

45 (11) The corporation is authorized to apply for and accept federal grants, other federal funds

1 and grants from nongovernmental organizations for purposes of developing, implementing and ad-
 2 ministering the exchange. Moneys received under this subsection shall be deposited in an account
 3 established under ORS 741.101.

4 **SECTION 3.** ORS 741.310, as amended by section 12, chapter 415, Oregon Laws 2011, section
 5 11, chapter 38, Oregon Laws 2012, section 97, chapter 107, Oregon Laws 2012, and section 2 of this
 6 2013 Act, 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)]* (a) Individuals and families; *[and]*

11 *[(B)]* (b) Employers with no more than *[50]* **100** employees[.]; **and**

12 *[(b)]* (c) *[Beginning October 1, 2015,]* Districts and eligible employees of districts that are subject
 13 to 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)(a) Only the following insurers may participate in the exchange:**

21 *[(3)]* (A) *[Only]* An insurer **offering a qualified health plan certified under subsection (4) of**
 22 **this section** that has a certificate of authority to transact insurance in this state and that meets
 23 applicable federal requirements for participating in the exchange *[may offer a qualified health plan*
 24 *through the exchange. Any qualified health plan must be certified under subsection (4) of this*
 25 *section.]; and*

26 **(B) A coordinated care organization certified by the Oregon Health Authority.**

27 (b) Prepaid managed care health services organizations that do not have a certificate of au-
 28 thority to transact insurance may serve only medical assistance recipients through the exchange and
 29 may not offer qualified health plans.

30 (4)(a) The Oregon Health Insurance Exchange Corporation shall adopt by rule uniform require-
 31 ments, standards and criteria for the certification of qualified health plans, including requirements
 32 that a qualified health plan provide, at a minimum, essential health benefits and have acceptable
 33 consumer and provider satisfaction ratings.

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

36 (c) The corporation shall consult with stakeholders, including but not limited to representatives
 37 of school administrators, school board members and school employees, regarding the plans that may
 38 be offered through the exchange to districts and eligible employees of districts under subsection
 39 *[(1)(b)]* **(1)(c)** of this section.

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

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

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

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

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

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

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

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

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

15 **SECTION 4. Section 27, chapter 415, Oregon Laws 2011, as amended by section 8, chapter**
16 **38, Oregon Laws 2012, is repealed.**

17 **SECTION 5. The amendments to ORS 741.300 and 741.310 by sections 1 and 3 of this 2013**
18 **Act become operative January 1, 2016.**

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