

Senate Bill 415

Sponsored by Senator SHIELDS (at the request of Autism Society of Oregon) (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**.

Prohibits discretionary clauses in health insurance policies, contracts and certificates offered or issued in Oregon.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to misleading health insurance forms; creating new provisions; amending ORS 750.055 and
3 750.333; and declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. An insurer may not offer or issue a policy, contract or certificate of health
7 insurance that contains a provision purporting to reserve to the insurer the discretion to
8 interpret the terms of the policy, contract or certificate or to provide standards of inter-
9 pretation or review that are inconsistent with the laws of this state.**

10 **SECTION 3. ORS 750.055, as amended by section 3, chapter 21, Oregon Laws 2012, is amended
11 to read:**

12 750.055. (1) The following provisions of the Insurance Code apply to health care service con-
13 tractors to the extent not inconsistent with the express provisions of ORS 750.005 to 750.095:

14 (a) ORS 705.137, 705.139, 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386,
15 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.488, 731.504, 731.508, 731.509, 731.510,
16 731.511, 731.512, 731.574 to 731.620, 731.592, 731.594, 731.640 to 731.652, 731.730, 731.731, 731.735,
17 731.737, 731.750, 731.752, 731.804, 731.844 to 731.992, 731.870 and 743.061.

18 (b) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.592, not
19 including ORS 732.582.

20 (c) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
21 to 733.780.

22 (d) ORS chapter 734.

23 (e) ORS 742.001 to 742.009, 742.013, 742.061, 742.065, 742.150 to 742.162, 742.400, 742.520 to
24 742.540, 743.010, 743.013, 743.018 to 743.030, 743.050, 743.100 to 743.109, 743.402, 743.472, 743.492,
25 743.495, 743.498, 743.499, 743.522, 743.523, 743.524, 743.526, 743.527, 743.528, 743.529, 743.549 to
26 743.552, 743.560, 743.600 to 743.610, 743.650 to 743.656, 743.764, 743.804, 743.807, 743.808, 743.814 to
27 743.839, 743.842, 743.845, 743.847, 743.854, 743.856, 743.857, 743.858, 743.859, 743.861, 743.862, 743.863,
28 743.864, 743.894, 743.911, 743.912, 743.913, 743.917, 743A.010, 743A.012, 743A.020, 743A.034, 743A.036,
29 743A.048, 743A.058, 743A.062, 743A.064, 743A.065, 743A.066, 743A.068, 743A.070, 743A.080, 743A.084,
30 743A.088, 743A.090, 743A.100, 743A.104, 743A.105, 743A.110, 743A.140, 743A.141, 743A.144, 743A.148,
31 743A.160, 743A.164, 743A.168, 743A.170, 743A.175, 743A.184, 743A.185, 743A.188, 743A.190 and

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 743A.192 and section 2, chapter 21, Oregon Laws 2012, **and section 2 of this 2013 Act.**

2 (f) The provisions of ORS chapter 744 relating to the regulation of insurance producers.

3 (g) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
4 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

5 (h) ORS 743A.024, except in the case of group practice health maintenance organizations that
6 are federally qualified pursuant to Title XIII of the Public Health Service Act unless the patient is
7 referred by a physician associated with a group practice health maintenance organization.

8 (i) ORS 735.600 to 735.650.

9 (j) ORS 743.680 to 743.689.

10 (k) ORS 744.700 to 744.740.

11 (L) ORS 743.730 to 743.773.

12 (m) ORS 731.485, except in the case of a group practice health maintenance organization that
13 is federally qualified pursuant to Title XIII of the Public Health Service Act and that wholly owns
14 and operates an in-house drug outlet.

15 (2) For the purposes of this section, health care service contractors shall be deemed insurers.

16 (3) Any for-profit health care service contractor organized under the laws of any other state that
17 is not governed by the insurance laws of the other state is subject to all requirements of ORS
18 chapter 732.

19 (4) The Director of the Department of Consumer and Business Services may, after notice and
20 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
21 and 750.045 that are deemed necessary for the proper administration of these provisions.

22 **SECTION 4.** ORS 750.333, as amended by section 4, chapter 21, Oregon Laws 2012, is amended
23 to read:

24 750.333. (1) The following provisions of the Insurance Code apply to trusts carrying out a mul-
25 tiple employer welfare arrangement:

26 (a) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316, 731.324, 731.328,
27 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414, 731.418 to 731.434, 731.454, 731.484,
28 731.486, 731.488, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 to 731.992 and 743.061.

29 (b) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695 to 733.780.

30 (c) ORS chapter 734.

31 (d) ORS 742.001 to 742.009, 742.013, 742.061 and 742.400.

32 (e) ORS 743.028, 743.053, 743.499, 743.524, 743.526, 743.527, 743.528, 743.529, 743.530, 743.560,
33 743.562, 743.600, 743.601, 743.602, 743.610, 743.730 to 743.773 (except 743.760 to 743.773), 743.801,
34 743.804, 743.807, 743.808, 743.814 to 743.839, 743.842, 743.845, 743.847, 743.854, 743.856, 743.857,
35 743.858, 743.859, 743.861, 743.862, 743.863, 743.864, 743.894, 743.912, 743.917, 743A.012, 743A.020,
36 743A.034, 743A.052, 743A.064, 743A.065, 743A.080, 743A.100, 743A.104, 743A.110, 743A.144, 743A.170,
37 743A.175, 743A.184 and 743A.192 and section 2, chapter 21, Oregon Laws 2012, **and section 2 of this**
38 **2013 Act.**

39 (f) ORS 743A.010, 743A.014, 743A.024, 743A.028, 743A.032, 743A.036, 743A.040, 743A.048,
40 743A.058, 743A.066, 743A.068, 743A.070, 743A.084, 743A.088, 743A.090, 743A.105, 743A.140, 743A.141,
41 743A.148, 743A.168, 743A.180, 743A.185, 743A.188 and 743A.190. Multiple employer welfare arrange-
42 ments to which ORS 743.730 to 743.773 apply are subject to the sections referred to in this para-
43 graph only as provided in ORS 743.730 to 743.773.

44 (g) Provisions of ORS chapter 744 relating to the regulation of insurance producers and insur-
45 ance consultants, and ORS 744.700 to 744.740.

1 (h) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

2 (i) ORS 731.592 and 731.594.

3 (j) ORS 731.870.

4 (2) For the purposes of this section:

5 (a) A trust carrying out a multiple employer welfare arrangement shall be considered an insurer.

6 (b) References to certificates of authority shall be considered references to certificates of mul-
7 tiple employer welfare arrangement.

8 (c) Contributions shall be considered premiums.

9 (3) The provision of health benefits under ORS 750.301 to 750.341 shall be considered to be the
10 transaction of health insurance.

11 **SECTION 5. This 2013 Act being necessary for the immediate preservation of the public**
12 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
13 **on its passage.**

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