

A-Engrossed
Senate Bill 416

Ordered by the Senate April 18
Including Senate Amendments dated April 18

Sponsored by Senator SHIELDS (at the request of Loreta Boskovic) (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.

[Requires Department of Consumer and Business Services to provide complaint process for challenging actions or credentials of independent review organization and to enforce requirements for external reviews. Allows department to reassign adverse benefit determination dispute to another independent review organization if department finds that independent review organization has failed to follow legal requirements.] Requires Director of Department of Consumer and Business Services to impose minimum civil penalty on insurer that does not comply with independent review organization's reversal of adverse benefit determination. *[Applies to contracts entered into on or after effective date of Act.]*

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to external review by independent review organization of adverse benefit determination by
3 health insurer; amending ORS 743.863; and declaring an emergency.

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

5 **SECTION 1.** ORS 743.863 is amended to read:

6 743.863. (1) An insurer shall comply in a timely manner with a decision of an independent review
7 organization under ORS 743.862 that reverses, in whole or in part, an adverse benefit determination.
8 If an insurer fails to comply with the decision, the Director of the Department of Consumer and
9 Business Services *[may]* **shall** impose on the insurer a civil penalty of **not less than \$100,000 and**
10 **not more than \$1 million.**

11 (2) A decision of an independent review organization is admissible in any legal proceeding in-
12 volving the insurer or the enrollee and involving the disputed issues subject to external review.

13 (3) The sanctions under subsection (1) of this section and the remedies under subsection (2) of
14 this section are in addition to and not in lieu of other sanctions, rights and remedies provided by
15 law or contract.

16 **SECTION 2.** **This 2013 Act being necessary for the immediate preservation of the public**
17 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
18 **on its passage.**

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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.