

**PROPOSED AMENDMENTS TO
HOUSE BILL 2076**

1 On page 1 of the printed bill, line 3, after “442.445” insert “, 731.488”.

2 After line 4, insert:

3 **“SECTION 1.** ORS 731.488 is amended to read:

4 “731.488. (1) Each insurer shall have an annual audit conducted by an
5 independent certified public accountant and shall file an audited financial
6 report annually with the Director of the Department of Consumer and Busi-
7 ness Services. The annual audited financial report shall disclose:

8 “(a) The financial position of the insurer as of the end of the most recent
9 calendar year; and

10 “(b) The results of the insurer’s operations, cash flows and changes in
11 capital and surplus for the year then ended.

12 “(2) The director shall adopt rules with respect to the following matters
13 as needed for carrying out the requirements of this section:

14 “(a) Required contents and format of the audited financial report.

15 “(b) Requirements for filing the report.

16 “(c) Requirements applicable to qualifications and designation of certified
17 public accountants for purposes of audits under this section. The require-
18 ments may include limitations on length of service for certified public ac-
19 countants and may permit recognition of accountants comparably qualified
20 under the laws of another country.

21 “(d) Requirements applicable to evaluation of the accounting procedures
22 of an insurer and its system of internal control by a certified public ac-

1 countant.

2 “(e) Standards governing the scope and preparation of the audit.

3 “(f) Requirements and procedures relating to the reporting of the adverse
4 financial condition of an insurer by a certified public accountant.

5 “(g) Requirements and procedures relating to the reporting of significant
6 deficiencies for internal controls of an insurer.

7 “(h) Exemptions.

8 **“(i) Requirements and procedures relating to the protection of
9 health information reports required by ORS 731.574.**

10 “~~[(i)]~~ (j) Any other matter that the director determines to be needed for
11 preparation of or inclusion in the financial report.”.

12 In line 5, delete “1” and insert “2”.

13 On page 2, delete lines 39 through 42.

14 In line 43, delete “(9)” and insert “(8)”.

15 In line 45, delete “2” and insert “3”.

16 On page 3, line 13, delete “3” and insert “4” and delete “4” and insert
17 “5”.

18 In line 14, delete “4” and insert “5”.

19 Delete lines 37 through 40.

20 In line 41, delete “(4)” and insert “(3)”.

21 Delete lines 43 through 45 and delete pages 4 through 6 and insert:

22 **“SECTION 6.** ORS 442.445, as amended by section 8, chapter 838, Oregon
23 Laws 2007, and section 3 of this 2013 Act, is amended to read:

24 “442.445. (1) Any health care facility that fails to perform as required in
25 ORS 442.205 and 442.400 to 442.463[, *section 3, chapter 838, Oregon Laws*
26 *2007,*] or section 4 of this 2013 Act and rules of the Office for Oregon Health
27 Policy and Research may be subject to a civil penalty.

28 “(2) The Administrator of the Office for Oregon Health Policy and Re-
29 search shall adopt a schedule of penalties not to exceed \$500 per day of vi-
30 olation, determined by the severity of the violation.

1 “(3) Civil penalties under this section shall be imposed as provided in
2 ORS 183.745.

3 “(4) Civil penalties imposed under this section may be remitted or miti-
4 gated upon such terms and conditions as the administrator considers proper
5 and consistent with the public health and safety.

6 “(5) Civil penalties incurred under any law of this state are not allowable
7 as costs for the purpose of rate determination or for reimbursement by a
8 third-party payer.

9 **“SECTION 7. The amendments to ORS 442.445 by section 6 of this
10 2013 Act become operative January 2, 2018.**

11 **“SECTION 8. Section 9, chapter 838, Oregon Laws 2007, is
12 repealed.”.**

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