

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 413**

1 On page 1 of the printed A-engrossed bill, line 5, delete “Section 2” and  
2 insert “Sections 2 and 3” and delete “is” and insert “are”.

3 After line 19, insert:

4 **“SECTION 3. (1) The Department of Consumer and Business Ser-**  
5 **vices shall establish by rule a methodology for projecting anticipated**  
6 **changes in medical costs. Insurers must apply the methodology in**  
7 **calculating proposed premium rates. The methodology shall include:**

8 **“(a) The adoption of a rate of inflation or deflation in medical costs**  
9 **projected from the current year to the year to which a rate filing ap-**  
10 **plies; and**

11 **“(b) Exceptions to the rate of inflation or deflation adopted under**  
12 **paragraph (a) of this subsection based on special factors including, but**  
13 **not limited to:**

14 **“(A) Unique characteristics of the policyholders or certificate hold-**  
15 **ers of a health benefit plan; or**

16 **“(B) Utilization controls used in a health benefit plan that would**  
17 **cause the rate of change in medical costs to vary from a state average.**

18 **“(2) An insurer is required to use the rate of inflation or deflation**  
19 **established under subsection (1)(a) of this section unless the insurer**  
20 **provides the department with compelling evidence that the insurer**  
21 **qualifies for an exception adopted by the department under subsection**  
22 **(1)(b) of this section.**

1       **“(3) The department shall adopt the rate and the methodology de-**  
2 **scribed in subsection (1) of this section using a public process. The**  
3 **department shall convene a group that includes actuaries and other**  
4 **relevant experts to advise the department in the adoption of the rate**  
5 **and methodology. All proceedings conducted and documents produced**  
6 **or considered under this section are subject to open meetings and**  
7 **public records laws under ORS 192.410 to 192.505 and 192.610 to**  
8 **192.690.”.**

9       In line 20, delete “3” and insert “4”.

10       On page 2, line 16, delete “4” and insert “5”.

11       In line 44, after “expenses” insert “using the methodology for projecting  
12 anticipated changes in medical costs adopted by the Department of Consumer  
13 and Business Services under section 3 of this 2013 Act”.

14       On page 3, line 16, delete “5” and insert “6”.

15       After line 41, insert:

16       **“SECTION 7. Section 3 of this 2013 Act applies to rate filings for**  
17 **plan years beginning on or after January 1, 2015.”.**

18       In line 42, delete “6” and insert “8”.

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