

**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 and the Oregon Health Authority shall jointly develop standards**  
6 **and metrics for evaluating health insurers’ cost containment strate-**  
7 **gies and shall incorporate the standards into the premium rate ap-**  
8 **proval process under ORS 743.018.**

9 **“(2) In evaluating whether to approve a premium rate, the depart-**  
10 **ment shall conduct a comprehensive review of the insurer’s cost con-**  
11 **tainment and quality improvement strategies. The comprehensive**  
12 **review shall include, but is not limited to:**

13 **“(a) An evaluation of the insurer’s strategies in key areas in which**  
14 **evidence-based and experience-tested strategies are available; and**

15 **“(b) A determination of whether the insurer’s strategies are feasi-**  
16 **ble, comprehensive and sufficient to contain costs and improve qual-**  
17 **ity.**

18 **“(3) The department and the authority shall also establish a process**  
19 **for jointly expanding or refining the cost containment strategies that**  
20 **may be considered in reviewing a rate filing.**

21 **“(4) In determining whether a proposed premium rate meets the**  
22 **criteria of ORS 743.018, the department shall consider:**

1       “(a) An insurer’s specific, quantifiable goals for reducing upward  
2 trends in medical costs as well as the insurer’s detailed rationale for  
3 choosing those particular goals;

4       “(b) Whether an insurer met or exceeded the goals for reducing  
5 upward trends in medical costs set forth in its previous rate filing for  
6 the same category of health plan; and

7       “(c) If the insurer’s upward trends in medical costs failed to meet  
8 the goals, the insurer’s assessment of the causes of failure and the  
9 insurer’s plans to improve cost containment performance in the fu-  
10 ture.

11       “(5) The department and the authority shall regularly report to the  
12 appropriate interim committees of the Legislative Assembly on their  
13 progress toward implementation of this section and on any recom-  
14 mended legislative changes to improve the review of cost containment  
15 strategies in the rate review process.”.

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

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

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

19       After line 41, insert:

20       “SECTION 7. Section 3 of this 2013 Act applies to premium rate  
21 filings for individual and small group health benefit plan coverage be-  
22 ginning on or after January 1, 2015.”.

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

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