

**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 Delete lines 6 through 19 and insert:

4 **“SECTION 2. (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       “SECTION 3. (1) The Department of Consumer and Business Ser-  
17 vices shall establish by rule a methodology for projecting anticipated  
18 changes in medical costs. Insurers must apply the methodology in  
19 calculating proposed premium rates. The methodology shall include:

20       “(a) The adoption of a rate of inflation or deflation in medical costs  
21 projected from the current year to the year to which a rate filing ap-  
22 plies; and

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

26       “(A) Unique characteristics of the policyholders or certificate hold-  
27 ers of a health benefit plan; or

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

30       “(2) An insurer is required to use the rate of inflation or deflation

1 established under subsection (1)(a) of this section unless the insurer  
2 provides the department with compelling evidence that the insurer  
3 qualifies for an exception adopted by the department under subsection  
4 (1)(b) of this section.

5 “(3) The department shall adopt the rate and the methodology de-  
6 scribed in subsection (1) of this section using a public process. The  
7 department shall convene a group that includes actuaries and other  
8 relevant experts to advise the department in the adoption of the rate  
9 and methodology. All proceedings conducted and documents produced  
10 or considered under this section are subject to open meetings and  
11 public records laws under ORS 192.410 to 192.505 and 192.610 to  
12 192.690.”.

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

14 On page 2, after line 5, insert:

15 “(2) Each calendar year, on a date prescribed by the department that is  
16 designed to coincide with the rate filing deadline for qualified health plans  
17 offered through the health insurance exchange, an insurer that offers a  
18 health benefit plan to an individual or to a small employer shall send a  
19 written notice to the policyholders of the individual or small employer health  
20 benefit plans that contains:

21 “(a) Information about the rate review process in this state and how to  
22 provide public comments and participate in public hearings on rate filings;

23 “(b) The address of the department’s rate review website;

24 “(c) Instructions for how to sign up to receive rate filing notifications  
25 through the department’s electronic mailing list; and

26 “(d) Instructions for how to receive rate filing notifications in formats  
27 other than the department’s electronic mailing list.

28 “(3) All enrollment forms and renewal notices provided to enrollees in  
29 individual or small employer health benefit plans must include, in a promi-  
30 nent manner, information about:

1 “(a) The rate review process in this state;  
2 “(b) The rate review website maintained by the department;  
3 “(c) Enrollees’ right to participate in the rate review process; and  
4 “(d) How to elect to receive rate filing notifications through the  
5 department’s electronic mailing list.

6 “(4) Insurers offering individual or small employer health benefit plans  
7 shall provide, in a prominent location on the enrollment and renewal forms,  
8 an opportunity for enrollees to elect to receive rate filing notifications  
9 through the department’s electronic mailing list system. Insurers shall sub-  
10 scribe enrollees who elect to receive rate filing notifications, using the  
11 department’s electronic notification system.

12 “(5) All explanations of benefits and all printed marketing materials,  
13 newsletters and communications with insurance brokers from an insurer of-  
14 fering individual or small employer health benefit plans must include the  
15 information described in subsection (3)(a), (b) and (c) of this section.”.

16 In line 6, delete “(2)” and insert “(6)”.

17 In line 10, delete “(3)” and insert “(7)”.

18 In line 16, delete “4” and insert “5”.

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

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

23 After line 41, insert:

24 **“SECTION 7. Sections 2 and 3 of this 2013 Act apply to premium  
25 rate filings for individual and small group health benefit plan coverage  
26 beginning on or after January 1, 2015.”.**

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

28