

**PROPOSED AMENDMENTS TO
HOUSE BILL 2118**

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating
2 new provisions; and”.

3 Delete line 3 and insert “ORS 741.002 and 741.310.”.

4 Delete lines 5 through 30 and delete pages 2 through 4 and insert:

5 **“SECTION 1. (1) In order to be certified by the Oregon Health In-
6 surance Exchange Corporation under ORS 741.310:**

7 **“(a) A health plan must:**

8 **“(A) Provide, at a minimum, essential health benefits, as defined
9 in ORS 741.300;**

10 **“(B) Not reimburse for any health care service that is not covered
11 by Medicare because the service is related to a health care acquired
12 condition; and**

13 **“(C) Have a medical loss ratio that is not less than 85 percent for
14 health plans offered or renewed on or after January 1, 2016; and**

15 **“(b) The health plan must be offered by an insurer that:**

16 **“(A) Has acceptable consumer and provider satisfaction ratings;**

17 **“(B) Has included in the plan, in addition to the quality improve-
18 ment strategy required by 42 U.S.C. 18031(c)(1)(E), two more quality
19 improvement strategies to be implemented by December 31, 2015; and**

20 **“(C) Does not contract with a health care provider to perform ser-
21 vices covered by the plan if the health care provider has a record of
22 adverse outcomes in the provision of health care services as a result**

1 of negligence or neglect.

2 “(2) In addition to the requirements under subsection (1) of this
3 section, a qualified health plan must meet other requirements imposed
4 by federal law or as prescribed by the corporation by rule.

5 **“SECTION 2.** Section 3 of this 2013 Act is added to and made a part
6 of ORS 741.001 to 741.540.

7 **“SECTION 3.** (1) There is created a nine-member metrics rating
8 committee appointed by the executive director of the Oregon Health
9 Insurance Exchange Corporation, subject to the approval of the
10 Oregon Health Insurance Exchange Corporation board of directors.
11 The members of the committee serve two-year terms and must in-
12 clude:

13 **“(a) Three members of the public at large;**

14 **“(b) Three individuals with expertise in health outcomes measures
15 who do not have a conflict of interest, as defined in ORS 741.027; and**

16 **“(c) Three representatives of insurers.**

17 **“(2) The committee shall use a public process to identify outcome
18 and quality measures, including measures for ambulatory care, inpa-
19 tient care, chemical dependency and mental health treatment, oral
20 health care and all other health services covered by qualified health
21 plans offered through the health insurance exchange. Outcome and
22 quality measures adopted by the committee must be consistent with
23 existing state and national outcome and quality measures. The corpo-
24 ration shall incorporate the measures adopted by the committee into
25 contracts with insurers to hold the insurers accountable for complying
26 with performance and customer satisfaction requirements.**

27 **“(3) The committee shall annually adjust the outcome and quality
28 measures to reflect:**

29 **“(a) The responses of consumers to the measures;**

30 **“(b) The demographics of the individuals receiving coverage from**

1 **qualified health plans offered through the exchange; and**

2 **“(c) Trends in the affordability of health care and improvements in**
3 **health care.**

4 **“(4) The corporation shall evaluate on a regular and ongoing basis**
5 **the outcome and quality measures adopted by the committee under**
6 **this section.**

7 **“(5) The corporation shall utilize available data systems for report-**
8 **ing outcome and quality measures adopted by the committee and take**
9 **actions to eliminate any redundant reporting or reporting of limited**
10 **value.**

11 **“(6) The corporation shall aggregate the information collected un-**
12 **der this section so as not to disclose information otherwise protected**
13 **by law and shall publish the aggregated information. The information**
14 **published must report, by insurer:**

15 **“(a) Quality measures;**

16 **“(b) Costs to consumers;**

17 **“(c) Outcome measures; and**

18 **“(d) Other information, as specified by the contract between the**
19 **insurers and the corporation, that is necessary for the corporation, the**
20 **insureds and the public to evaluate the value of health services cov-**
21 **ered under a qualified health plan.**

22 **“(7) The corporation shall evaluate the impact of the published**
23 **outcome and quality measures on consumer behavior and publish the**
24 **results of the evaluation on the corporation’s website.**

25 **“SECTION 4.** ORS 741.002, as amended by section 1, chapter 38, Oregon
26 Laws 2012, and section 88, chapter 107, Oregon Laws 2012, is amended to
27 read:

28 **“741.002. (1) The duties of the Oregon Health Insurance Exchange Corpo-**
29 **ration are to:**

30 **“(a) Administer a health insurance exchange in accordance with federal**

1 law to make qualified health plans available to **and affordable for** individ-
2 uals and groups throughout this state.

3 “(b) Provide information in writing, through an Internet-based clearing-
4 house and through a toll-free telephone line that will assist individuals and
5 small businesses in making informed health insurance decisions, including:

6 “(A) The grade of each health plan as determined by the corporation and
7 the grading criteria that were used;

8 “(B) Quality and enrollee satisfaction ratings; and

9 “(C) The comparative costs, benefits, provider networks of health plans
10 and other useful information.

11 “(c) Establish and make available an electronic calculator that allows
12 individuals and employers to determine the cost of coverage after deducting
13 any applicable tax credits or cost-sharing reduction.

14 “(d) Using procedures approved by the corporation’s board of directors
15 and adopted by rule by the corporation under ORS 741.310, screen, certify
16 and recertify health plans as qualified health plans according to federal and
17 state standards and ensure that qualified health plans provide choices of
18 coverage.

19 “(e) Decertify or suspend, in accordance with ORS chapter 183, the cer-
20 tification of health plans that fail to meet federal and state standards in
21 order to exclude them from participation in the exchange.

22 “(f) Promote fair competition of carriers participating in the exchange by
23 certifying multiple health plans as qualified under ORS 741.310.

24 “(g) Grade health plans in accordance with criteria established by the
25 United States Secretary of Health and Human Services, **by the metrics**
26 **rating committee established under section 3 of the 2013 Act** and by the
27 corporation.

28 “(h) Establish open and special enrollment periods for all enrollees, and
29 monthly enrollment periods for Native Americans in accordance with federal
30 law.

1 “(i) Assist individuals and groups to enroll in qualified health plans, in-
2 cluding defined contribution plans as defined in section 414 of the Internal
3 Revenue Code and, if appropriate, collect and remit premiums for such indi-
4 viduals or groups.

5 “(j) Facilitate community-based assistance with enrollment in qualified
6 health plans by awarding grants to entities that are certified as navigators
7 as described in 42 U.S.C. 18031(i).

8 “(k) Provide information to individuals and employers regarding the el-
9 igibility requirements for state medical assistance programs and assist eligi-
10 ble individuals and families in applying for and enrolling in the programs.

11 “(L) Provide employers with the names of employees who end coverage
12 under a qualified health plan during a plan year.

13 “(m) Certify the eligibility of an individual for an exemption from the
14 individual responsibility requirement of section 5000A of the Internal Reve-
15 nue Code.

16 “(n) Provide information to the federal government necessary for indi-
17 viduals who are enrolled in qualified health plans through the exchange to
18 receive tax credits and reduced cost-sharing.

19 “(o) Provide to the federal government:

20 “(A) Information regarding individuals determined to be exempt from the
21 individual responsibility requirement of section 5000A of the Internal Reve-
22 nue Code;

23 “(B) Information regarding employees who have reported a change in
24 employer;

25 “(C) Information regarding individuals who have ended coverage during
26 a plan year; and

27 “(D) Any other information necessary to comply with federal require-
28 ments.

29 “(p) Take any other actions necessary and appropriate to comply with the
30 federal requirements for a health insurance exchange.

1 “(q) Work in coordination with the Oregon Health Authority, the Oregon
2 Health Policy Board and the Department of Consumer and Business Services
3 in carrying out its duties.

4 “(2) The corporation may sue and be sued.

5 “(3) The corporation may:

6 “(a) Acquire, lease, rent, own and manage real property.

7 “(b) Construct, equip and furnish buildings or other structures as are
8 necessary to accommodate the needs of the corporation.

9 “(c) Purchase, rent, lease or otherwise acquire for the corporation’s use
10 all supplies, materials, equipment and services necessary to carry out the
11 corporation’s duties.

12 “(d) Sell or otherwise dispose of any property acquired under this sub-
13 section.

14 “(e) Borrow money and give guarantees to finance its facilities and oper-
15 ations.

16 “(4) Any real property acquired and owned by the corporation under this
17 section shall be subject to ad valorem taxation.

18 “(5) The corporation may not borrow money or give guarantees under
19 subsection (3)(e) of this section unless the obligations of the corporation are
20 payable solely out of the corporation’s own resources and do not constitute
21 a pledge of the full faith and credit of the State of Oregon or any of the
22 revenues of this state. The State Treasurer and the State of Oregon may not
23 pay bond-related costs for an obligation incurred by the corporation. A
24 holder of an obligation incurred by the corporation does not have the right
25 to compel the exercise of the taxing power of the state to pay bond-related
26 costs.

27 **“(6) To make qualified health plans affordable, the corporation shall**
28 **negotiate the lowest premium rates and cost-sharing amounts before**
29 **certifying a health plan to be offered through the exchange.**

30 “[6] (7) The corporation may adopt rules necessary to carry out its

1 mission, duties and functions.

2 **“SECTION 5.** ORS 741.310, as amended by section 10, chapter 38, Oregon
3 Laws 2012, and section 96, chapter 107, Oregon Laws 2012, is amended to
4 read:

5 “741.310. (1) The following individuals and groups may purchase qualified
6 health plans through the health insurance exchange:

7 “(a) Beginning January 1, 2014:

8 “(A) Individuals and families; and

9 “(B) Employers with no more than 50 employees.

10 “(b) Beginning October 1, 2015, districts and eligible employees of dis-
11 tricts that are subject to ORS 243.886, unless their participation is precluded
12 by federal law.

13 “(c) Beginning January 1, 2016, employers with 51 to 100 employees.

14 “(2)(a) Only individuals who purchase health plans through the exchange
15 may be eligible to receive premium tax credits under section 36B of the
16 Internal Revenue Code and reduced cost-sharing under 42 U.S.C. 18071.

17 “(b) Only employers that purchase health plans through the exchange may
18 be eligible to receive small employer health insurance credits under section
19 45R of the Internal Revenue Code.

20 “(3) Only an insurer that has a certificate of authority to transact insur-
21 ance in this state and that meets applicable federal requirements for partic-
22 ipating in the exchange may offer a qualified health plan through the
23 exchange. Any qualified health plan must be certified under subsection (4)
24 of this section. Prepaid managed care health services organizations that do
25 not have a certificate of authority to transact insurance may serve only
26 medical assistance recipients through the exchange and may not offer quali-
27 fied health plans.

28 “(4)(a) The Oregon Health Insurance Exchange Corporation shall adopt
29 by rule uniform requirements, standards and criteria for the certification of
30 qualified health plans[, *including requirements that a qualified health plan*

1 *provide, at a minimum, essential health benefits and have acceptable consumer*
2 *and provider satisfaction ratings]* **in accordance with section 1 of this 2013**
3 **Act.**

4 “(b) The corporation may limit the number of qualified health plans that
5 may be offered through the exchange as long as the same limit applies to all
6 insurers.

7 “(c) The corporation shall consult with stakeholders, including but not
8 limited to representatives of school administrators, school board members
9 and school employees, regarding the plans that may be offered through the
10 exchange to districts and eligible employees of districts under subsection
11 (1)(b) of this section.

12 “(5) Notwithstanding subsection (4) of this section, the corporation shall
13 certify as qualified a dental only health plan as permitted by federal law.

14 “(6) The corporation shall establish one streamlined and seamless appli-
15 cation and enrollment process for both the exchange and the state medical
16 assistance program.

17 “(7) The corporation, in collaboration with the appropriate state authori-
18 ties, may establish risk mediation programs within the exchange.

19 “(8) The corporation shall establish by rule a process for certifying in-
20 surance producers to facilitate the transaction of insurance through the ex-
21 change, in accordance with federal standards and policies.

22 “(9) The corporation shall ensure, as required by federal laws, that an
23 insurer charges the same premiums for plans sold through the exchange as
24 for identical plans sold outside of the exchange.

25 “(10) The corporation is authorized to enter into contracts for the per-
26 formance of duties, functions or operations of the exchange, including but
27 not limited to contracting with:

28 “(a) All insurers that meet the requirements of subsections (3) and (4) of
29 this section, to offer qualified health plans through the exchange; and

30 “(b) Navigators certified by the corporation under ORS 741.002.

1 “(11) The corporation is authorized to apply for and accept federal grants,
2 other federal funds and grants from nongovernmental organizations for pur-
3 poses of developing, implementing and administering the exchange. Moneys
4 received under this subsection shall be deposited in an account established
5 under ORS 741.101.

6 **“SECTION 6.** ORS 741.310, as amended by section 12, chapter 415, Oregon
7 Laws 2011, section 11, chapter 38, Oregon Laws 2012, and section 97, chapter
8 107, Oregon Laws 2012, is amended to read:

9 “741.310. (1) The following individuals and groups may purchase qualified
10 health plans through the health insurance exchange:

11 “(a) Individuals and families;

12 “(b) Employers with no more than 100 employees; and

13 “(c) Districts and eligible employees of districts that are subject to ORS
14 243.886, unless their participation is precluded by federal law.

15 “(2)(a) Only individuals who purchase health plans through the exchange
16 may be eligible to receive premium tax credits under section 36B of the
17 Internal Revenue Code and reduced cost-sharing under 42 U.S.C. 18071.

18 “(b) Only employers that purchase health plans through the exchange may
19 be eligible to receive small employer health insurance credits under section
20 45R of the Internal Revenue Code.

21 “(3) Only an insurer that has a certificate of authority to transact insur-
22 ance in this state and that meets applicable federal requirements for partic-
23 ipating in the exchange may offer a qualified health plan through the
24 exchange. Any qualified health plan must be certified under subsection (4)
25 of this section. Prepaid managed care health services organizations that do
26 not have a certificate of authority to transact insurance may serve only
27 medical assistance recipients through the exchange and may not offer quali-
28 fied health plans.

29 “(4)(a) The Oregon Health Insurance Exchange Corporation shall adopt
30 by rule uniform requirements, standards and criteria for the certification of

1 qualified health plans[, *including requirements that a qualified health plan*
2 *provide, at a minimum, essential health benefits and have acceptable consumer*
3 *and provider satisfaction ratings*] **in accordance with section 1 of this 2013**
4 **Act.**

5 “(b) The corporation may limit the number of qualified health plans that
6 may be offered through the exchange as long as the same limit applies to all
7 insurers.

8 “(c) The corporation shall consult with stakeholders, including but not
9 limited to representatives of school administrators, school board members
10 and school employees, regarding the plans that may be offered through the
11 exchange to districts and eligible employees of districts under subsection
12 (1)(c) of this section.

13 “(5) Notwithstanding subsection (4) of this section, the corporation shall
14 certify as qualified a dental only health plan as permitted by federal law.

15 “(6) The corporation shall establish one streamlined and seamless appli-
16 cation and enrollment process for both the exchange and the state medical
17 assistance program.

18 “(7) The corporation, in collaboration with the appropriate state authori-
19 ties, may establish risk mediation programs within the exchange.

20 “(8) The corporation shall establish by rule a process for certifying in-
21 surance producers to facilitate the transaction of insurance through the ex-
22 change, in accordance with federal standards and policies.

23 “(9) The corporation shall ensure, as required by federal laws, that an
24 insurer charges the same premiums for plans sold through the exchange as
25 for identical plans sold outside of the exchange.

26 “(10) The corporation is authorized to enter into contracts for the per-
27 formance of duties, functions or operations of the exchange, including but
28 not limited to contracting with:

29 “(a) Insurers that meet the requirements of subsections (3) and (4) of this
30 section, to offer qualified health plans through the exchange; and

1 “(b) Navigators certified by the corporation under ORS 741.002.

2 “(11) The corporation is authorized to apply for and accept federal grants,
3 other federal funds and grants from nongovernmental organizations for pur-
4 poses of developing, implementing and administering the exchange. Moneys
5 received under this subsection shall be deposited in an account established
6 under ORS 741.101.

7 **“SECTION 7.** Section 1 of this 2013 Act is amended to read:

8 “(1) In order to be certified by the Oregon Health Insurance Exchange
9 Corporation under ORS 741.310:

10 “(a) A health plan must:

11 “(A) Provide, at a minimum, essential health benefits, as defined in ORS
12 741.300;

13 “(B) Not reimburse for any health care service that is not covered by
14 Medicare because the service is related to a health care acquired condition;
15 and

16 “(C) Have a medical loss ratio [*that is not*], **as prescribed by the cor-**
17 **poration by rule, which may not be** less than 85 percent [*for health plans*
18 *offered or renewed on or after January 1, 2016*]; and

19 “(b) The health plan must be offered by an insurer that:

20 “(A) Has acceptable consumer and provider satisfaction ratings;

21 “(B) [*Has included in the plan, in addition to the quality improvement*
22 *strategy required by 42 U.S.C. 18031(c)(1)(E), two more*] **Updates its** quality
23 improvement strategies [*to be implemented by December 31, 2015*] **at least**
24 **every two years;** and

25 “(C) Does not contract with a health care provider to perform services
26 covered by the plan if the health care provider has a record of adverse out-
27 comes in the provision of healthcare services as a result of negligence or
28 neglect.

29 “(2) In addition to the requirements under subsection (1) of this section,
30 a qualified health plan must meet other requirements imposed by federal law

1 or as prescribed by the corporation by rule.

2 **“SECTION 8. The amendments to section 1 of this 2013 Act by sec-**
3 **tion 7 of this 2013 Act become operative January 1, 2017.”.**

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