

B-Engrossed
House Bill 4154

Ordered by the House March 3
Including House Amendments dated February 13 and March 3

Sponsored by Representative FAGAN; Representatives GELSER, KOMP, VEGA PEDERSON, WILLIAMSON (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires Oregon Health Insurance Exchange Corporation to request federal agency to allow individuals and businesses to qualify for premium tax credits, cost-sharing reductions and business tax relief if individuals and businesses enrolled in qualified health plans directly with insurers.

Expands authority of Governor to remove members of board of directors of Oregon Health Insurance Exchange Corporation. Sunsets expanded authority on July 1, 2015.

Makes employees of Cover Oregon subject to state whistleblower protections.

[Authorizes Oregon Health Authority, overseen by Oregon Medical Insurance Pool Board, to make expenditures for transitional medical insurance pool program from ending balance of premium assessments and reinsurance program funds.]

[Modifies requirements for Oregon Reinsurance Program to align with changes in federal law.]

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to administration of health insurance; creating new provisions; amending ORS 659A.200 and
3 741.025; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. No later than the effective date of this 2014 Act, the Oregon Health Insur-**
6 **ance Exchange Corporation shall request the appropriate federal agency to:**

7 **(1) Extend the open enrollment period, for residents of this state to enroll in qualified**
8 **health plans, to April 30, 2014.**

9 **(2) Pay premium tax credits and cost-sharing reductions to benefit Oregon residents who:**

10 **(a) During the open enrollment period or any extension of the open enrollment period,**
11 **enrolled directly with an insurer, with or without the assistance of an insurance producer,**
12 **in a health plan that is also offered through the health insurance exchange; and**

13 **(b) Would qualify for premium tax credits or cost-sharing reductions.**

14 **(3) Extend the transition relief described in Internal Revenue Notice 2014-6 to small em-**
15 **ployers that have principal business addresses in Oregon to allow them to claim the business**
16 **tax credit under section 45R of the Internal Revenue Code for tax year 2014.**

17 **SECTION 2. ORS 659A.200 is amended to read:**

18 659A.200. As used in ORS 659A.200 to 659A.224:

19 (1) "Disciplinary action" includes but is not limited to any discrimination, dismissal, demotion,
20 transfer, reassignment, supervisory reprimand, warning of possible dismissal or withholding of work,
21 whether or not the action affects or will affect employee compensation.

22 (2) "Employee" means a person *[employed by or under contract with]*:

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (a) **Employed by or under contract with** the state or any agency of or political subdivision in
2 the state;

3 (b) **Employed by or under contract with** any person authorized to act on behalf of the state,
4 or agency of the state or subdivision in the state, with respect to control, management or super-
5 vision of any employee;

6 (c) [*Employees of*] **Employed by** the public corporation created under ORS 656.751;

7 (d) **Employed by the public corporation established under ORS 741.001;**

8 [(d)] (e) [*Employees of*] **Employed by** a contractor who performs services for the state, agency
9 or subdivision, other than employees of a contractor under contract to construct a public improve-
10 ment; and

11 [(e)] (f) **Employed by or under contract with** any person authorized by contract to act on
12 behalf of the state, agency or subdivision.

13 (3) "Public employer" means:

14 (a) The state or any agency of or political subdivision in the state; and

15 (b) Any person authorized to act on behalf of the state, or any agency of or political subdivision
16 in the state, with respect to control, management or supervision of any employee.

17 **SECTION 3.** ORS 741.025 is amended to read:

18 741.025. (1) The Oregon Health Insurance Exchange Corporation shall be governed by a board
19 of directors consisting of two ex officio members and seven members who are appointed by the
20 Governor and subject to confirmation by the Senate in the manner prescribed by ORS 171.562 and
21 171.565.

22 (2) The ex officio voting members of the board are:

23 (a) The Director of the Oregon Health Authority or the director's designee; and

24 (b) The Director of the Department of Consumer and Business Services or the director's
25 designee.

26 (3)(a) The term of office of each member who is not an ex officio member is four years. The
27 Governor may remove any member at any time for incompetence, neglect of duty or malfeasance in
28 office, after notice and a hearing that shall be open to the public[, *but the Governor may not remove*
29 *more than three members within any four-year period except for corrupt conduct in office*].

30 (b) Before the expiration of the term of a member who is not an ex officio member, the Governor
31 shall appoint a successor whose term begins on January 1 next following. A member who is not an
32 ex officio member is eligible for no more than two reappointments. If there is a vacancy for any
33 cause, the Governor shall make an appointment to become immediately effective for the unexpired
34 term.

35 (4) The members who are not ex officio members must be individuals who:

36 (a) Are United States citizens and residents of the State of Oregon;

37 (b) Have demonstrated professional and community leadership skills and experience;

38 (c) To the greatest extent practicable, represent the geographic, ethnic, gender, racial and eco-
39 nomic diversity of this state; and

40 (d) Subject to subsections (5) and (6) of this section, collectively offer expertise, knowledge and
41 experience in individual insurance purchasing, business, finance, sales, health benefits adminis-
42 tration, individual and small group health insurance and use of the health insurance exchange.

43 (5) No more than two of the members who are not ex officio members may be individuals who
44 are:

45 (a) Employed by, consultants to or members of a board of directors of:

1 (A) An insurer or third party administrator;

2 (B) An insurance producer; or

3 (C) A health care provider, health care facility or health clinic;

4 (b) Members, board members or employees of a trade association of:

5 (A) Insurers or third party administrators; or

6 (B) Health care providers, health care facilities or health clinics; or

7 (c) Health care providers, unless they receive no compensation for rendering services as health
8 care providers and do not have ownership interests in professional health care practices.

9 (6)(a) At least two of the members who are not ex officio members shall be consumer members.

10 (b) One consumer member must be an individual consumer purchasing a qualified health plan
11 through the exchange.

12 (c) One consumer member must be a small business employer purchasing a qualified health plan
13 through the exchange.

14 (7) The board of directors shall adopt a formal business plan for the corporation, which shall
15 include a plan for developing metrics to measure customer service and provider satisfaction, and
16 shall establish the policies for the operation of the exchange, consistent with state and federal law.

17 **SECTION 4.** ORS 741.025, as amended by section 3 of this 2014 Act, is amended to read:

18 741.025. (1) The Oregon Health Insurance Exchange Corporation shall be governed by a board
19 of directors consisting of two ex officio members and seven members who are appointed by the
20 Governor and subject to confirmation by the Senate in the manner prescribed by ORS 171.562 and
21 171.565.

22 (2) The ex officio voting members of the board are:

23 (a) The Director of the Oregon Health Authority or the director's designee; and

24 (b) The Director of the Department of Consumer and Business Services or the director's
25 designee.

26 (3)(a) The term of office of each member who is not an ex officio member is four years. The
27 Governor may remove any member at any time for incompetence, neglect of duty or malfeasance in
28 office, after notice and a hearing that shall be open to the public, **but the Governor may not re-**
29 **move more than three members within any four-year period except for corrupt conduct in**
30 **office.**

31 (b) Before the expiration of the term of a member who is not an ex officio member, the Governor
32 shall appoint a successor whose term begins on January 1 next following. A member who is not an
33 ex officio member is eligible for no more than two reappointments. If there is a vacancy for any
34 cause, the Governor shall make an appointment to become immediately effective for the unexpired
35 term.

36 (4) The members who are not ex officio members must be individuals who:

37 (a) Are United States citizens and residents of the State of Oregon;

38 (b) Have demonstrated professional and community leadership skills and experience;

39 (c) To the greatest extent practicable, represent the geographic, ethnic, gender, racial and eco-
40 nomic diversity of this state; and

41 (d) Subject to subsections (5) and (6) of this section, collectively offer expertise, knowledge and
42 experience in individual insurance purchasing, business, finance, sales, health benefits adminis-
43 tration, individual and small group health insurance and use of the health insurance exchange.

44 (5) No more than two of the members who are not ex officio members may be individuals who
45 are:

- 1 (a) Employed by, consultants to or members of a board of directors of:
2 (A) An insurer or third party administrator;
3 (B) An insurance producer; or
4 (C) A health care provider, health care facility or health clinic;
5 (b) Members, board members or employees of a trade association of:
6 (A) Insurers or third party administrators; or
7 (B) Health care providers, health care facilities or health clinics; or
8 (c) Health care providers, unless they receive no compensation for rendering services as health
9 care providers and do not have ownership interests in professional health care practices.
10 (6)(a) At least two of the members who are not ex officio members shall be consumer members.
11 (b) One consumer member must be an individual consumer purchasing a qualified health plan
12 through the exchange.
13 (c) One consumer member must be a small business employer purchasing a qualified health plan
14 through the exchange.
15 (7) The board of directors shall adopt a formal business plan for the corporation, which shall
16 include a plan for developing metrics to measure customer service and provider satisfaction, and
17 shall establish the policies for the operation of the exchange, consistent with state and federal law.

18 **SECTION 5. The amendments to ORS 741.025 by section 4 of this 2014 Act become oper-**
19 **ative July 1, 2015.**

20 **SECTION 6. This 2014 Act being necessary for the immediate preservation of the public**
21 **peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect**
22 **on its passage.**
23 _____