

# Enrolled House Bill 4154

Sponsored by Representatives FAGAN, GREENLICK, Senators BATES, DEVLIN; Representatives BAILEY, BARNHART, BARTON, BOONE, BUCKLEY, CLEM, DOHERTY, FREDERICK, GALLEGOS, GELSER, GORSEK, HOLVEY, HOYLE, KENY-GUYER, KOMP, KOTEK, LININGER, LIVELY, MATTHEWS, MCKEOWN, NATHANSON, REARDON, SMITH WARNER, TOMEI, UNGER, VEGA PEDERSON, WILLIAMSON, WITT, Senators COURTNEY, MONNES ANDERSON, PROZANSKI, STEINER HAYWARD (Presession filed.)

CHAPTER .....

## AN ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) "Public employer" means:

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

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

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

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

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

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

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

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

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

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

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

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

(c) To the greatest extent practicable, represent the geographic, ethnic, gender, racial and economic diversity of this state; and

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

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

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

(A) An insurer or third party administrator;

(B) An insurance producer; or

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

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

(A) Insurers or third party administrators; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) To the greatest extent practicable, represent the geographic, ethnic, gender, racial and economic diversity of this state; and

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

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

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

(A) An insurer or third party administrator;

(B) An insurance producer; or

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

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

(A) Insurers or third party administrators; or

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

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

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

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

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

**SECTION 5. The amendments to ORS 741.025 by section 4 of this 2014 Act become operative July 1, 2015.**

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

Passed by House March 4, 2014

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate March 6, 2014

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2014

Approved:

.....M,....., 2014

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2014

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Kate Brown, Secretary of State