

**PROPOSED AMENDMENTS TO
SENATE BILL 1582**

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

3 In lines 14 and 15, delete the boldfaced material and insert “, and for the
4 program, administered by the Oregon Health Authority and overseen by the
5 board, that facilitates health insurance coverage through March 31, 2014, for
6 individuals who were enrolled in pool coverage”.

7 Delete lines 21 through 30 and delete pages 2 through 4 and insert:

8 **“SECTION 2.** Section 2, chapter 698, Oregon Laws 2013, as amended by
9 section 32, chapter 722, Oregon Laws 2013, is amended to read:

10 **“Sec. 2.** (1) As used in this section, section 1, chapter 698, Oregon Laws
11 2013, and ORS 735.610:

12 “(a) ‘Health benefit plan’ has the meaning given that term in ORS 743.730.

13 “(b) ‘Insurer’ means an insurer described in ORS 735.605 (4)(a), (b) [*and*]
14 **or** (d).

15 **“(c) ‘National attachment point’ means the attachment point set**
16 **forth in the United States Department of Health and Human Services’**
17 **annual notice of benefit and payment parameters, in accordance with**
18 **45 C.F.R. 153.230.**

19 **“(d) ‘National coinsurance rate’ means the reinsurance rate set**
20 **forth in the United States Department of Health and Human Services’**
21 **annual notice of benefit and payment parameters, in accordance with**
22 **45 C.F.R. 153.230.**

1 “(e) ‘National reinsurance cap’ means the reinsurance cap set forth
2 in the United States Department of Health and Human Services’ an-
3 nual notice of benefit and payment parameters, in accordance with 45
4 C.F.R. 153.230.

5 “[(c)] (f) ‘Program’ means the Oregon Reinsurance Program established
6 in section 1, chapter 698, Oregon Laws 2013.

7 “[(d)] (g) ‘Reinsurance eligible health benefit plan’ means a health benefit
8 plan providing individual coverage that:

9 “(A) Is delivered or issued for delivery in this state;

10 “(B) Is not a grandfathered health plan as defined in ORS 743.730; and

11 “(C) Meets the criteria prescribed by the Oregon Medical Insurance Pool
12 Board under subsection (2) of this section.

13 “[(e)] (h) ‘Reinsurance eligible individual’ means an individual:

14 “(A) Who [*is insured on or before April 1, 2014, under a reinsurance eli-*
15 *gible health benefit plan and who was:*] **applied for coverage in a reinsur-**
16 **ance eligible health benefit plan during the initial open enrollment**
17 **period specified in 42 U.S.C. 18031(c)(6), including any extension of the**
18 **initial open enrollment period approved by the United States Depart-**
19 **ment of Health and Human Services for Oregon residents;**

20 “(B) Who, as a result of the application made during the initial
21 open enrollment period, is enrolled in the coverage; and

22 “(C) Who was:

23 “[(A)] (i) On December 31, 2013, enrolled in the Oregon Medical Insurance
24 Pool created in ORS 735.610;

25 “[(B)] (ii) On June 30, 2013, enrolled in the Temporary High Risk Pool
26 Program established in section 1, chapter 47, Oregon Laws 2010;

27 “[(C)] (iii) On December 31, 2013, insured under a portability health ben-
28 efit plan as defined in ORS 743.760; or

29 “[(D)] (iv) On December 31, 2013, reinsured under the reinsurance pro-
30 gram for children’s coverage described in ORS 735.614 (1)(b).

1 “(i) ‘State attachment point’ means the threshold dollar amount for
2 claims costs incurred by a reinsurance eligible health benefit plan for
3 an insured individual’s covered benefits in a benefit year, after which
4 threshold the claims costs for the benefits are eligible for state rein-
5 surance payments.

6 “(j) ‘State coinsurance rate’ means the rate at which the Oregon
7 Medical Insurance Pool Board will reimburse a reinsurance eligible
8 health benefit plan for claims costs incurred for an insured
9 individual’s covered benefits in a benefit year after the state attach-
10 ment point and before the state reinsurance cap.

11 “(k) ‘State reinsurance cap’ means the threshold dollar amount for
12 claims costs incurred by a reinsurance eligible health benefit plan for
13 an insured individual’s covered benefits, after which threshold the
14 claims costs for the benefits are no longer eligible for state reinsur-
15 ance payments.

16 “(2) The board shall prescribe by rule the criteria for a health benefit
17 plan to qualify for reinsurance payments under the program. The criteria
18 must be consistent with requirements for:

19 “(a) Premium rates under 42 U.S.C. 300gg;

20 “(b) Guaranteed availability under 42 U.S.C. 300gg-1;

21 “(c) Guaranteed renewability under 42 U.S.C. 300gg-2;

22 “(d) Coverage of essential health benefits under 42 U.S.C. 18022; and

23 “(e) Using a single risk pool under 42 U.S.C. 18032(c).

24 “(3) An issuer of a reinsurance eligible health benefit plan becomes eli-
25 gible for a reinsurance payment when the claims costs for a reinsurance eli-
26 gible individual’s covered benefits in a calendar year exceed the **state**
27 attachment point. The amount of the payment shall be the product of the
28 **state** coinsurance rate and the issuer’s claims costs for the reinsurance eli-
29 gible individual’s claims costs that exceed the **state** attachment point, up to
30 the **state** reinsurance cap, as follows:

1 “(a) For 2014:

2 “(A) The **state** attachment point is \$30,000.

3 “(B) The **state** reinsurance cap is \$300,000.

4 “(C) Except as provided in paragraph (b) of this subsection, the **state**

5 coinsurance rate is:

6 “(i) [*Ten percent*] For claims costs above [*\$60,000*] **the national attach-**

7 **ment point** and up to and including [*\$250,000*] **the national reinsurance**

8 **cap:**

9 “(I) **If the national coinsurance rate is at or above 90 percent of the**

10 **claims costs, zero percent; or**

11 “(II) **If the national coinsurance rate is below 90 percent of the**

12 **claims costs, the difference between 90 percent of the claims costs and**

13 **the national coinsurance rate but no more than 10 percent; and**

14 “(ii) Ninety percent for claims costs:

15 “(I) [*from \$30,000 and up to and including \$60,000 and above \$250,000*]

16 **From the state attachment point up to and including the national at-**

17 **achment point; and**

18 “(II) **From the national reinsurance cap up to and including the**

19 **state reinsurance cap.**

20 “(b) The board may lower the **state** coinsurance rate if the reinsurance

21 claims incurred exceed the total amount of the assessments collected under

22 subsection (4) of this section.

23 “(c) The board shall adopt by rule [*an*] **a state** attachment point, **state**

24 reinsurance cap and **state** coinsurance rate for calendar years 2015 and 2016

25 that complement the federal reinsurance program requirements, so that the

26 reinsurance claims do not exceed the total amount of the assessments col-

27 lected under subsection (4) of this section. After the rules required under this

28 paragraph are adopted for a calendar year, the board may not:

29 “(A) Change the **state** attachment point or the **state** reinsurance cap

30 adopted for that calendar year; or

1 “(B) Increase the **state** coinsurance rate adopted for that calendar year.

2 “(4) The board shall impose an assessment on all insurers at a rate that
3 is expected to produce an amount of funds sufficient to pay administrative
4 expenses and to make reinsurance payments that are due to issuers of rein-
5 surance eligible health benefit plans in a calendar year **or to make pay-**
6 **ments to the Oregon Health Authority for the costs of the program**
7 **described in ORS 735.612 (2) that is administered by the authority**, but
8 not greater than the rate that would be expected to produce funds totaling
9 the lesser of:

10 “(a) An amount per month multiplied by the number of insureds and cer-
11 tificate holders in this state who are insured or reinsured; or

12 “(b) The total assessment set forth in subsection (5) of this section.

13 “(5) The amount per month and total assessment on all insurers are as
14 follows:

15 “(a) For calendar year 2014, the amount per month is \$4 and the total
16 assessment is \$72 million.

17 “(b) For calendar year 2015, the amount per month is \$3.50 and the total
18 assessment is \$63 million.

19 “(c) For calendar year 2016, the amount per month is \$2.20 and the total
20 assessment is \$40 million.

21 “(6) In determining the number of insureds and certificate holders in this
22 state who are insured or reinsured, the board shall exclude individuals with
23 the following types of coverage:

24 “(a) The medical assistance program under ORS chapter 414;

25 “(b) Medicare;

26 “(c) Disability income insurance;

27 “(d) Hospital-only insurance;

28 “(e) Dental-only insurance;

29 “(f) Vision-only insurance;

30 “(g) Accident-only insurance;

- 1 “(h) Automobile insurance;
- 2 “(i) Specific disease insurance;
- 3 “(j) Medical supplemental plans;
- 4 “(k) TRICARE;
- 5 “(L) Prescription drug only plans;
- 6 “(m) Long term care insurance; and
- 7 “(n) Federal Employees Health Benefits Program.

8 “(7) If the board collects assessments that exceed the amount necessary
9 to pay administrative expenses, [and] to make all of the reinsurance pay-
10 ments that are due to issuers of reinsurance eligible health benefit plans in
11 calendar years 2014, 2015 and 2016, **or to make payments to the Oregon**
12 **Health Authority for the costs of the program described in ORS 735.612**
13 **(2) that is administered by the authority**, the board shall refund the ex-
14 cess, on a pro rata basis, to insurers who are subject to the assessment im-
15 posed by subsection (4) of this section.

16 “(8) The board may not impose an assessment under subsection (4) of this
17 section for calendar years beginning with 2017.

18 “(9) All moneys received or collected by the board under this section shall
19 be paid into the Oregon Medical Insurance Pool Account established in ORS
20 735.612.

21 “(10) The board, in consultation with the Department of Consumer and
22 Business Services, may adopt rules necessary to carry out the provisions of
23 this section including, but not limited to, rules prescribing:

24 “(a) The eligibility requirements for participation in the program by an
25 issuer of a reinsurance eligible health benefit plan;

26 “(b) The form and manner of issuing notices of assessment amounts;

27 “(c) The amount, manner and frequency of the payment and collection of
28 assessments;

29 “(d) The amount, manner and frequency of reinsurance payments; and

30 “(e) Reporting requirements for insurers subject to the assessment and for

1 issuers of reinsurance eligible health benefit plans.

2 **“SECTION 3. (1) The Department of Consumer and Business Ser-**
3 **vices shall transfer the ending balance of moneys received from the**
4 **assessments imposed under ORS 743.951 and 743.961 to the Oregon**
5 **Health Authority and the authority shall use the moneys to fund**
6 **coverage, through the Temporary Medical Insurance Program, for the**
7 **high risk individuals previously enrolled in the Oregon Medical Insur-**
8 **ance Pool.**

9 **“(2) If the ending balance described in subsection (1) of this section**
10 **is insufficient to fund coverage through the Temporary Medical In-**
11 **surance Program, the authority shall work with the Oregon Medical**
12 **Insurance Pool Board to cover any additional costs with moneys from**
13 **the Oregon Reinsurance Program established by section 1, chapter 698,**
14 **Oregon Laws 2013.**

15 **“SECTION 4. This 2014 Act being necessary for the immediate**
16 **preservation of the public peace, health and safety, an emergency is**
17 **declared to exist, and this 2014 Act takes effect on its passage.”.**

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