78th OREGON LEGISLATIVE ASSEMBLY – 2015 Regular Session **MEASURE: SB 523**

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Senate Health Care

REVENUE: No revenue impact (introduced)
FISCAL: May have fiscal impact, statement not yet issued

Action:
Vote:
Yeas:
Nays:
Exc.:
Prepared By: Zena Rockowitz, Administrator
Meeting Dates: 4/6

WHAT THE MEASURE DOES: Defines "enrollee" as person enrolled in a qualified health plan through the exchange who is responsible for paying premiums, paid at least one premium and receives advance payment of premium tax credit. Defines "grace period" as three consecutive months when enrollee's coverage continues without payment of premiums. Defines "qualified health plan" as plan certified under the health insurance exchange. Specifies provisions for qualified health plans to notify health care providers when enrollees fail to pay premium during grace period. Requires insurer that terminates coverage during grace period to reimburse provider for services if insurer fails to notify provider that enrollee is in grace period or provider has contracted with insurer and service is covered by plan and insured is in a course of treatment and claim was reimbursed during month when premiums were paid. Directs Department of Consumer and Business Services to produce written materials for consumers about paying premiums and distribute to providers upon request.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: -2 Amendment: Eliminates requirement that qualified health plan has to be on insurance exchange. Adds that if insurer terminates coverage due to non-payment by enrollee, insurer must pay claim for reimbursement if the service was provided during the first month of the grace period. **-3 Amendment:** Eliminates requirement that qualified health plan has to be on insurance exchange. Requires if insurer terminates coverage due to non-payment by enrollee, insurer must pay claim for reimbursement.

BACKGROUND: The federal Affordable Care Act (ACA) and subsequent regulations released by the Centers for Medicare and Medicaid Services (CMS) have established requirements for qualified health insurance plans on the exchange. Eligible insurance enrollees can receive a tax subsidy on the exchange to help cover insurance premiums. If enrollees do not pay their premiums in full, this starts a 90-day grace period in which an insurer cannot cancel the policy. During the first 30 days of the grace period, the enrollee will continue to have health insurance coverage and insurers must pay claims for services provided to enrollees during that time. If the patient pays all premiums by the end of the grace period, the patient can retain coverage for the next 60 days and the insurer will pay claims. If the enrollee does not pay the premium in full by the end of the grace period, the insurer will deny claims for services provided during the last 60 days of the grace period. Therefore the patient is responsible for payment. Health insurers are required to notify physicians of an enrollee's grace period status but there is nothing to specify how much notice an insurer must give to physicians.