

Chair Monnes Anderson, Vice Chair Kruse, Members of the Committee for the record my name is Rob Nosse. I'm the State Representative for House District 42, inner SE & NE Portland. I'm here today to thank you for considering HB 2605 and to briefly discuss the bill, which passed unanimously out of the House Health Care Committee and with strong bi-partisan support on the House floor, 56-3.

This bill is the result of extensive discussions between the Insurance Division, Oregon's Health Co-Op, OSPIRG & several health insurance companies including Cambia Health. I'd like to personally thank Commissioner Cali and Jeannette Holman from the Insurance Division, along with Doug Riggs, Ralph Prows & Peter Ricoy with the Co-Op for their time & effort on this bill. It also wouldn't have been possible without extensive cooperation from Tom Holt representing Cambia Health or Jesse O'Brien with OSPIRG amongst others.

This bill represents months of compromise between all these stakeholders, and we know of no opposition to the bill.

HB 2605 arose from a situation in which Oregon's Health Co-Op, a member owned health insurance company, had a disagreement with the Insurance Division over what rate they should be allowed to charge for their plans, with the Co-Op feeling they ought to be able to charge less than the Insurance Division felt was appropriate and/or prudent.

In the end the Co-Op did not agree with the rate chosen by the Insurance Division and given the statutes and the rules around the current rate setting process the Co-Op felt they were left with very few options and were worried that they would have to forgo offering insurance and participating on the Exchange.

Now under the current process, there is an ability for an insurance company to appeal the rate that the Insurance Commissioner sets, but it is done under the Administrative Procedures act and availing yourself of that process can take a long time. Essentially pursuing

that formal appeal process makes it hard to have your insurance plan with the rate you want available on the exchange in a timely manner.

So to that end, this bill addresses the concern of the Health Co-Op and other Insurance companies by creating a process for rate discussion with the insurance commission that does not presently exist.

Here is what the bill does.

An insurance company must submit their desired rates or premium costs. The Insurance Division then issues a preliminary decision regarding insurance rates after reviewing an insurance companies' rate filing and their rationale for it. Insurers and any person adversely affected or aggrieved by the preliminary decision by the Insurance Division can then meet with the Insurance Division to discuss their concerns with the preliminary decision

The bill also allows an insurer to accept the modified rate proposed by the Insurance Commissioner while pursuing an appeal an administrative appeal at the same time. This new process -- allowing for acceptance of the modified rate and the ability to pursue an appeal at the same time means the insurer can participate in the Exchange while still retaining their right to appeal a decision they disagree with

This bill also allows for an expedited process in which an insurer could go directly to the Director of DCBS regarding their rate proposal. They could pursue the traditional administrative appeal if they would like, but this expedited process allows them to have a second look at their modified rate before they have to enter the insurance exchange for the coming year.

Lastly, on those points of mild contention on which stakeholders were not able to come to consensus, this bill calls for the Insurance Division to convene a work group of stakeholders to issue recommendations later this year on how to address these concerns with the process.

Lorey Freeman from LC and other experts are here if you have any extremely detailed questions. I ask for your support for this bill. It is the result of extensive compromise and discussion and I believe strengthen our already nationally lauded rate review process. Thank you for your time.