

B-Engrossed
Senate Bill 901

Ordered by the House June 2
Including Senate Amendments dated April 13 and House Amendments
dated June 2

Sponsored by COMMITTEE ON HEALTH CARE (at the request of Oregon Association of Hospitals and Health Systems)

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 insurer to reimburse providers directly for medical[, *surgical and nursing*] **or mental health** services provided to insured.

A BILL FOR AN ACT

1
2 Relating to insurance reimbursement; creating new provisions; amending ORS 743.531 and 743A.014;
3 and repealing ORS 743.921.

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

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. (1) As used in this section:**

7 (a) **"Health benefit plan" has the meaning given that term in ORS 743.730.**

8 (b) **"Provider" means a person licensed, certified or otherwise authorized or permitted**
9 **by laws of this state to administer medical or mental health services, including substance**
10 **use disorder services, in the ordinary course of business or practice of a profession.**

11 **(2) Except as provided in ORS 743.543 and 743.550, a provider that bills an insurer for**
12 **covered services provided to an individual who is insured under a health benefit plan or a**
13 **Medicare supplement insurance policy issued by the insurer shall be reimbursed by the**
14 **insurer by a direct payment issued to the provider.**

15 **SECTION 3. ORS 743.531 is amended to read:**

16 *743.531. [(1) A group health insurance policy may on request by the group policyholder provide that*
17 *all or any portion of any indemnities provided by such policy on account of hospital, nursing, medical*
18 *or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering*
19 *such services. However, the amount of any such payment shall not exceed the amount of benefit pro-*
20 *vided by the policy with respect to the service or billing of the provider of aid. The amount of such*
21 *payments pursuant to one or more assignments shall not exceed the amount of expenses incurred on*
22 *account of such hospitalization or medical or surgical aid.]*

23 *[(2) Nothing in this section is intended to authorize an insurer to:]*

24 *[(a) Furnish or provide directly services of hospitals or physicians and surgeons; or]*

25 *[(b) Direct, participate in or control the selection of the specific hospital or physician and surgeon*
26 *from whom the insured secures services or who exercises medical or dental professional judgment.]*

27 *[(3)] (1) [Nothing in subsection (2) of this section prevents an insurer from negotiating and*

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 *entering*] **An insurer may negotiate and enter** into contracts for alternative rates of payment with
2 providers **to provide services covered by a group health insurance policy** and [*offering*] **may**
3 **offer** the benefit of such alternative rates to insureds who select such providers. An insurer may
4 utilize such contracts by offering a choice of plans at the time an insured enrolls, one of which
5 provides benefits only for services by members of a particular provider organization with whom the
6 insurer has an agreement. If an insured chooses such a plan, benefits are payable only for services
7 rendered by a member of that provider organization, unless such services were requested by a
8 member of such organization or are rendered as the result of an emergency.

9 [(4)] (2) [*Payment so made*] **Benefits paid by an insurer to a provider under subsection (1)**
10 **of this section** shall discharge the insurer's obligation with respect to the amount of insurance so
11 paid.

12 [(5)] (3) Insurers shall provide group policyholders with a current roster of institutional and
13 professional providers under contract to provide services at alternative rates under their group
14 policy and shall also make such lists available for public inspection during regular business hours
15 at the insurer's principal office within this state.

16 **SECTION 4.** ORS 743A.014 is amended to read:

17 743A.014. (1) **As used in this section, "health benefit plan" has the meaning given that**
18 **term in ORS 743.730.**

19 (2) Notwithstanding ORS 743.543, with respect to a health **benefit plan or a Medicare sup-**
20 **plement** insurance policy that provides coverage for ambulance care and transportation, the insurer
21 shall indemnify directly the provider of the ambulance care and transportation.

22 **SECTION 5.** ORS 743.921 is repealed.

23 **SECTION 6.** Section 2 of this 2015 Act and the amendments to ORS 743.531 and 743A.014
24 **by sections 3 and 4 of this 2015 Act apply to reimbursements paid on claims presented on or**
25 **after January 1, 2017.**

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