

**PROPOSED AMENDMENTS TO
SENATE BILL 1**

1 On page 13 of the typed amendments to Senate Bill 1 dated February 5
2 (SB 1-3), delete lines 26 through 30.

3 Delete page 14.

4 On page 15, delete lines 1 through 26 and insert:

5 **“SECTION 18. ORS 741.105 is amended to read:**

6 **“741.105. (1) The [*Oregon Health Insurance Exchange Corporation board***
7 ***of directors*] **Department of Consumer and Business Services** shall es-**
8 **tablish, [*and the corporation shall impose and collect*] **by rule**, an adminis-**
9 **trative **charge. The department shall impose and collect the** charge from**
10 **all insurers and state programs participating in the health insurance ex-**
11 **change. **The Health Insurance Exchange Advisory Committee shall****
12 ****advise the department in establishing the administrative charge. The****
13 ****charge must be** in an amount sufficient to cover the costs of grants to**
14 **navigators, **in-person assisters and application counselors** certified under**
15 **ORS 741.002 and to pay the administrative and operational expenses of the**
16 **[*corporation*] **department** in carrying out ORS 741.001 to 741.540. The charge**
17 **shall be paid in a manner and at intervals prescribed by the [*board and shall***
18 ***be deposited in an account established in ORS 741.101*] **department.****

19 **“(2) Each insurer’s charge shall be based on the number of individuals,**
20 **excluding individuals enrolled in state programs, who are enrolled in health**
21 **plans offered by the insurer through the exchange. The assessment on each**
22 **state program shall be based on the number of individuals enrolled in state**

1 programs offered through the exchange. The charge may not exceed:

2 “(a) Five percent of the premium or other monthly charge for each
3 enrollee if the number of enrollees receiving coverage through the exchange
4 is at or below 175,000;

5 “(b) Four percent of the premium or other monthly charge for each
6 enrollee if the number of enrollees receiving coverage through the exchange
7 is above 175,000 and at or below 300,000; and

8 “(c) Three percent of the premium or other monthly charge for each
9 enrollee if the number of enrollees receiving coverage through the exchange
10 is above 300,000.

11 “(3)(a) If charges collected under subsection (1) of this section exceed the
12 amounts needed for the administrative and operational expenses of the [*cor-*
13 *poration*] **department in administering the health insurance exchange**,
14 the excess moneys collected may be held and [*invested and, with the earnings*
15 *and interest,*] used by the [*corporation*] **department** to offset future net losses
16 [*or reduce the administrative costs of the corporation*].

17 “[*(b) Investments made by the corporation under this subsection are:*]

18 “[*(A) Limited to investments described in ORS 294.035;*]

19 “[*(B) Subject to the investment maturity date limitations described in ORS*
20 *294.135; and*]

21 “[*(C) Subject to the conduct prohibitions listed in ORS 294.145.*]

22 “[*(c)*] **(b)** The maximum amount of excess moneys that may be held under
23 this subsection is the total administrative and operational expenses **of ad-**
24 **ministering the health insurance exchange** anticipated by the [*corpo-*
25 *ration*] **department** for a six-month period. Any moneys received that exceed
26 the maximum shall be applied by the [*corporation*] **department** to reduce the
27 charges imposed by this section.

28 “(4) Charges shall be based on annual statements and other reports
29 [*deemed necessary by the corporation and filed by an insurer or state program*
30 *with the exchange*] **submitted by insurers and state programs as pre-**

1 **scribed by the department.**

2 “(5) In addition to charges imposed under subsection (1) of this section,
3 to the extent permitted by federal law the [*corporation*] **department** may
4 impose a fee on insurers and state programs participating in the exchange
5 to cover the cost of commissions of insurance producers that are certified
6 by the [*corporation*] **department or by the United States Department of**
7 **Health and Human Services** to facilitate the participation of individuals
8 and employers in the exchange.

9 “(6)(a) The [*board*] **Department of Consumer and Business Services**
10 shall establish **and amend** the charges and fees under this section in ac-
11 cordance with ORS 183.310 to 183.410 [*and in such a manner that will rea-*
12 *sonably and substantially accomplish the objective of subsections (1) and (5)*
13 *of this section*].

14 “(b) **If the department intends to increase an administrative charge**
15 **or fee, the notice of intended action required by ORS 183.335 shall be**
16 **sent, if the Legislative Assembly is not in session, to the interim**
17 **committees of the Legislative Assembly related to health, to the Joint**
18 **Interim Committee on Ways and Means and to each member of the**
19 **Legislative Assembly. The Director of the Department of Consumer**
20 **and Business Services shall appear at the next meetings of the interim**
21 **committees of the Legislative Assembly related to health and the next**
22 **meetings of the Joint Interim Committee on Ways and Means that**
23 **occur after the notice of intended action is sent and fully explain the**
24 **basis and rationale for the proposed increase in the administrative**
25 **charges or fees.**

26 “(c) **If the Legislative Assembly is in session, the department shall**
27 **give the notice of intended action to the committees of the Legislative**
28 **Assembly related to health and to the Joint Committee on Ways and**
29 **Means and shall appear before the committees to fully explain the**
30 **basis and rationale for the proposed increase in administrative charges**

1 **or fees.**

2 **“(7) All charges and fees collected under this section shall be de-**
3 **posited in the Health Insurance Exchange Fund.”.**

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