



# Oregon

Kate Brown, Governor

Department of Consumer and Business Services

Division of Financial Regulation

350 Winter St. NE, Room 410

P.O. Box 14480

Salem, OR 97309-0405

March 15, 2017

Representative Mitch Greenlick  
Chair, House Committee on Health Care  
Oregon Legislative Assembly

Re: -1 Amendment to House Bill 2340

Dear Chair Greenlick:

Thank you for your consideration of the -1 amendment to House Bill 2340. To assist the committee in deliberating on these rather technical changes to the Insurance Code, we have submitted this letter on the record.

In sum, the proposed -1 makes the following changes:

- In regard to the provisions granting the Director flexibility to re-admit entities transacting insurance before the customary 5-year ban, the amendment includes a provision ensuring that “[c]onsumers who purchase insurance are protected.” When we convene stakeholders to develop robust, appropriate sideboards for granting such a reentry by an entity transacting insurance, this clause will serve as a guiding policy directive. We will continue to work with various stakeholders to ensure that the department may apply appropriate sideboards for reentry as this bill continues on its path through the Senate.
- We clarified that a policy contract provision that treats a written health care contract as the entire agreement, and that information not delivered to a consumer by the insurer does not get incorporated into the contract. While it is our understanding that this default contract term currently applies to health care service contractors and multiple employee welfare associations, the -1 would make that abundantly clear. These clarifications apply to sections 7(1)(g), 8(1)(g), 9(1)(g) and 10(1)(e) of the introduced bill.
- Additionally, the -1 amendment removes references to certain benefit mandates as they were misapplied in the initial bill draft or have been deemed repealed. They include:
  - Two mandates – ORS 743A.028 and 743A.032 – do not apply to multiple employee welfare arrangements, and so will not be included in the bill. These provisions cover services performed by denturists and dentists, respectively. As health benefit plans offered by health care service contractors and multiple employee welfare arrangements do not apply to oral health, references to these provisions do not need to be in the statute.

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- Four other mandates listed are deemed repealed by operation of ORS 743A.001. These are 743A.050 [services provided by registered nurse first assistant], 743A.120 [prostate screening examinations], 743A.164 [injuries resulting from alcohol and controlled substances] and 743A.184 [diabetes self-management programs]. These provisions were automatically repealed by operation of law having met the criteria set forth in ORS 743A.001.
- Finally, one mandate – ORS 743.144 [prosthetic and orthotic devices] – was removed because it has also been deemed repealed. However, coverage for durable medical equipment, which includes prosthetic and orthotic devices, is included in the 2017 base benchmark benefit plan and is therefore covered by qualified health plans offered through the Marketplace. As with other benefit mandates that have been deemed repealed, ORS 743.144 was also automatically repealed having met the criteria set forth in ORS 743A.001.

Again, thank you for your consideration. Please feel free to contact us if you have any questions.

Sincerely,



Richard Y. Blackwell  
Policy Manager

Cc: Representative Rob Nosse, Vice-Chair, House Committee on Health Care  
Representative Cedric Hayden, Vice-Chair, House Committee on Health Care  
Representative Teresa Alonso Leon  
Representative Knute Buehler  
Representative Jodi Hack  
Representative Bill Kennemer  
Representative Alissa Keny-Guyer  
Representative Sheri Malstrom