

May 10, 2017

To: Rep. Jennifer Williamson, Chair, House Rules Committee
From: Paul Terdal
Re: Opposition to HB2342 with -2 Amendments

Dear Chair Williamson and members of the committee,

I'm writing in opposition to the -2 Amendments to HB2342, which would give the Director of DCBS virtually unlimited authority to waive critical state laws governing individual health insurance policies, such as the one my family has purchased.

This is an extreme measure, and it is no exaggeration to say that it threatens the health and safety of my family and thousands of other Oregonian families like mine who count on the protections in Oregon's insurance code – including laws requiring coverage of treatment for autism and other developmental disabilities (743A.190); pregnancy and childbirth expenses (743A.080); and the services of psychologists (743A.048), and other health care professionals. This bill could give DCBS the authority to waive any and all such consumer protections on an emergency rule-making basis for up to 360 days without public comment or input.

Note further that the construction of the -2 amendment raises significant legal risks for implementation: while the bill applies to "health insurance;" most consumers with individual health plans actually receive them from "health care service contractors," such as Kaiser, Providence, Regence, and Moda, which are regulated under ORS Chapter 750. Health care service contractors are "deemed insurers" but only for the purposes of specific statutes enumerated in ORS 750.055. Health care service contractors are exempt from any other provision of Oregon law that applies to "all health insurers" that isn't specifically listed in ORS 750.055. Since the -2 amendment doesn't specifically address health care service contractors, any attempt to use this bill to waive legal requirements for them would be subject to legal challenge that would likely exacerbate any market confusion that this authority seeks to address.

If there is truly a need to take urgent action, it should be done by the legislature in a special session with appropriate opportunities for public comment to ensure that consumer needs are protected.

Sincerely,

Paul Terdal