

HB 2340 -A2 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 4/27, 5/11

WHAT THE MEASURE DOES:

Allows Department of Consumer and Business Services (DCBS) to reduce the mandatory five-year ban applied to an insurer that discontinued offering a health plan in a geographic service area. Specifies criteria the agency is to use in deciding to shorten the mandatory five-year probation. Applies to small employer, group health and individual health plans offered in Oregon. Repeals obsolete health insurance requirements.

REVENUE: No impact.

FISCAL: No impact.

ISSUES DISCUSSED:

- Commercial carriers exiting Oregon's marketplace
- Penalties when a carrier leaves a region
- Uncertainties in the marketplace and the need to allow more flexibility to ensure carrier participation

EFFECT OF AMENDMENT:

-A2 Authorizes DCBS to adopt through rulemaking, standards for shortening the five-year prohibition.

BACKGROUND:

Oregon's Insurance Code requires a five-year ban of market reentry for insurers who discontinue all of its products within an applicable market in the state. The ban on reentry is intended for consumer protection, but there may be certain circumstances where a reduction in this ban, at the discretion of the Department of Consumer and Business Services (DCBS), would serve the public interest by maintaining a competitive market.

House Bill 2340-A makes several technical changes to Oregon's Insurance Code, and grants authority to DCBS to reduce the mandatory five-year ban for insurance carriers that offer health plans in the state.