

HB 2342 A STAFF MEASURE SUMMARY

Carrier: Rep. Nosse

House Committee On Rules

Action Date: 05/11/17

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 7-2-0-0

Yeas: 7 - Hack, Holvey, Kennemer, Nosse, Rayfield, Smith Warner, Williamson

Nays: 2 - Barreto, McLane

Fiscal: No fiscal impact

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Permits Department of Consumer and Business Services (DCBS), upon recommendation of Health Insurance Exchange Advisory Committee, to adopt rules that are not in compliance with state law governing health insurance if specified conditions are met. Rules may be adopted as temporary, but may not be readopted in whole or part and permanent rules adopted may not be in effect longer than six months unless ratified by Legislative Assembly. If DCBS adopts any rules under this authority, it must immediately report with full explanation of action taken, to Senate President, Speaker of the House and interim committees related to health. DCBS must submit quarterly reports to committees related to health on impact of action on insurance market and consumer. Repeals authority on July 1, 2019. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Current statutes and rules
- Impact of potential changes in federal law on state insurance markets
- Ability of DCBS to respond to changes in health insurance policy
- Criteria to trigger rule and rate changes
- Concerns about constitutionality
- Possibility of convening a special session to deal with changes in federal health policy and funding
- Number of people who could be effected
- Legal risks
- Emergency declaration authority
- Maintaining stable insurance market for Oregonians

EFFECT OF AMENDMENT:

Replaces measure.

BACKGROUND:

Department of Consumer and Business Services (DCBS) is Oregon's largest consumer protection and business regulatory agency. They are a resource to consumers and businesses in areas involving: finance (insurance, investments, Oregon-chartered banks and credit unions, consumer finance companies, mortgage lenders, pawnbrokers, payday lenders); workplace health and safety; and building safety. The Division of Financial Regulation oversees the financial and insurance industries in Oregon.

Changes in federal health insurance laws may have an adverse impact on consumers and insurers in the 2018 plan year. If changes in federal law occur outside of the ordinary rate review process, DCBS will be unable to respond to maintain a stable insurance marketplace and ensure consumers continue to have access to affordable coverage.

This Summary has not been adopted or officially endorsed by action of the committee.

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Additionally, federal changes may provide insufficient lead time to propose and pass a statewide solution.

House Bill 2342-A provides DCBS with the ability to adopt temporary or permanent rules, after the statutorily prescribed rate review process, to maintain stability in the insurance market if federal health changes begin to adversely affect the Oregon insurance market. DCBS may use this rulemaking authority if there is any change in federal law, on or after September 1, 2017, that: is expected to cause previously approved premium rates to no longer be in compliance with statute; is expected to have a substantial impact on average out-of-pocket costs for or premiums paid by individuals insured in Oregon; or decision is made by U.S. Department of Health and Human Services, Internal Revenue Service or U.S. Department of Labor to discontinue or reduce federal payments for cost-sharing reductions; and DCBS director determines that change in law or decision by federal agency will cause imminent destabilization of insurance market and risk life or health of Oregon residents.