

HB 2340 B STAFF MEASURE SUMMARY

Carrier: Sen. Beyer

Senate Committee On Health Care

Action Date: 05/11/17

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Vote: 4-0-1-0

Yeas: 4 - Beyer, Knopp, Kruse, Monnes Anderson

Exc: 1 - Steiner Hayward

Fiscal: No fiscal impact

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Allows Department of Consumer and Business Services (DCBS) to reduce the mandatory five-year ban of market reentry 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 prohibition. Applies criteria to small employer, group health and individual health plans offered in Oregon. Repeals obsolete health insurance requirements.

ISSUES DISCUSSED:

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

EFFECT OF AMENDMENT:

Authorizes DCBS to adopt through rulemaking the 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 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-B makes several technical changes to Oregon's Insurance Code and grants DCBS the authority to reduce the mandatory five-year ban for insurance carriers that discontinue health plans in the state.