

**HB 2342 B STAFF MEASURE SUMMARY**

**Carrier:** Sen. Kruse

**Senate Committee On Health Care**

---

**Action Date:** 05/30/17

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

**Vote:** 5-0-0-0

**Yeas:** 5 - Beyer, Knopp, Kruse, Monnes Anderson, Steiner Hayward

**Fiscal:** No fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Oliver Droppers, LPRO Analyst

---

**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. Establishes that 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. Requires DCBS to 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:**

- Provisions of the measure and proposed amendment

**EFFECT OF AMENDMENT:**

Add restrictions on the provisions DCBS can waive. Adds essential health benefits provision.

**BACKGROUND:**

The Department of Consumer and Business Services (DCBS) is Oregon's largest consumer protection and business regulatory agency. The agency's Division of Financial Regulation oversees the financial and insurance industries in Oregon including commercial health insurance. 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 may be unable to respond to maintain a stable insurance marketplace and ensure consumers continue to have access to affordable coverage. Additionally, federal changes may provide insufficient lead time to propose and pass a statewide solution.

House Bill 2342-B 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. The agency may use its rulemaking authority if there is any change in federal law that will cause imminent destabilization of insurance market and risk life or health of Oregon residents.