

HB 2342 B STAFF MEASURE SUMMARY**Carrier:** Sen. Boquist**Senate Committee On Rules**

Action Date: 06/28/17
Action: Do pass the B-Eng bill.
Vote: 5-0-0-0
Yeas: 5 - Beyer, Boquist, Burdick, Ferrioli, Roblan
Fiscal: No fiscal impact
Revenue: No revenue impact
Prepared By: Cherie Stone, 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. Establishes that, 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 consumers. Repeals authority on July 1, 2019. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Current DCBS rulemaking authority
- Effect of measure

EFFECT OF AMENDMENT:

No amendment.

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 could potentially 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 health insurance marketplace and ensure that consumers continue to have access to affordable health insurance coverage. Additionally, federal changes to health insurance laws 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 insurance changes begin to adversely affect the Oregon insurance market. The agency is authorized to use its rulemaking authority if there is any change in federal law that will cause imminent destabilization of the health insurance market and risk the life or health of Oregon residents.