

A-Engrossed
House Bill 4005

Ordered by the House February 13
Including House Amendments dated February 13

Sponsored by Representatives NOSSE, NOBLE, Senators BEYER, LINTHICUM; Representatives ALONSO LEON, BARNHART, FAHEY, HOLVEY, KENY-GUYER, KOTEK, LIVELY, SALINAS, SMITH DB, Senators BOQUIST, MONNES ANDERSON (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires prescription drug manufacturer to report annually information to Department of Consumer and Business Services regarding prices of prescription drugs and costs associated with developing and marketing prescription drugs. Authorizes department to impose civil penalties on manufacturer for failing to comply with reporting requirements.

Requires health insurers that offer prescription drug benefit to report to department specified information about prescription drug prices and impact of prescription drug prices on premium rates. Authorizes department to adopt by rule fees on manufacturers.

Requires department to conduct annual public hearing on prescription drug prices and related information reported by manufacturers.

A BILL FOR AN ACT

1
2 Relating to the price of prescription drugs; creating new provisions; and amending ORS 743.018 and
3 750.055.

4 Whereas the state has a substantial public interest in the price and cost of prescription drugs;
5 and

6 Whereas the state is a major purchaser of prescription drugs through the Public Employees'
7 Benefit Board, the Oregon Health Authority, the Department of Human Services and the Department
8 of Corrections; and

9 Whereas the state also provides major tax expenditures for health care through the tax exclu-
10 sion of employer-sponsored health insurance coverage and the deductibility of the excess medical
11 costs of individuals and families; and

12 Whereas the Legislative Assembly intends by sections 2, 3 and 5 of this 2018 Act to provide
13 notice and disclosure of information relating to the cost and pricing of prescription drugs in order
14 to provide accountability for prescription drug pricing; and

15 Whereas the Legislative Assembly intends by this 2018 Act to permit a manufacturer of a pre-
16 scription drug to voluntarily make pricing decisions regarding a prescription drug, including deci-
17 sions that result in price increases; and

18 Whereas the Legislative Assembly intends by this 2018 Act to permit purchasers, both public
19 and private, as well as pharmacy benefit managers, to negotiate discounts and rebates for pre-
20 scription drugs consistent with existing state and federal law; now, therefore,

21 **Be It Enacted by the People of the State of Oregon:**

22 **SECTION 1. Sections 2 and 3 of this 2018 Act shall be known and may be cited as the**
23 **Prescription Drug Price Transparency Act.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

SECTION 2. (1) As used in this section:

(a) "Drug" has the meaning given that term in ORS 689.005.

(b) "Health care facility" has the meaning given that term in ORS 442.015.

(c) "Health care service contractor" has the meaning given that term in ORS 750.005.

(d)(A) "Manufacture" means:

(i) The production, preparation, propagation, compounding, conversion or processing of a drug, either directly or indirectly by extraction from substances of natural origin or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis; and

(ii) The packaging or repackaging of a drug or labeling or relabeling of a drug container.

(B) "Manufacture" does not include the preparation or compounding of a drug by an individual for the individual's own use or the preparation, compounding, packaging or labeling of a drug:

(i) By a health care practitioner incidental to administering or dispensing a drug in the course of professional practice;

(ii) By a health care practitioner or at the practitioner's authorization and supervision for the purpose of or incidental to research, teaching or chemical analysis activities and not for sale;

(iii) By a health care service contractor for dispensing to a subscriber or delivery to a health care facility or outpatient clinic owned or operated by the health care service contractor or an affiliate of the health care service contractor;

(iv) By a centralized repackaging operation for distribution to subscribers of health care service contractors or to pharmacies, health care facilities or outpatient clinics operated by or affiliated with a health care service contractor; or

(v) By a health care facility for dispensing to a patient of the health care facility.

(e) "Manufacturer" means a person that manufactures a prescription drug that is sold in this state.

(f) "New prescription drug" has the meaning prescribed by the Department of Consumer and Business Services by rule.

(g) "Patient assistance program" means a program that a manufacturer offers to the general public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons or discount cards, receiving copayment assistance or by other means.

(h) "Prescription drug" means a drug that must:

(A) Under federal law, be labeled "Caution: Federal law prohibits dispensing without prescription" prior to being dispensed or delivered; or

(B) Under any applicable federal or state law or regulation, be dispensed only by prescription or restricted to use only by health care practitioners.

(i) "Price" means the wholesale acquisition cost as defined in 42 U.S.C. 1395w-3a(c)(6)(B).

(2) No later than March 15 of each year, a manufacturer shall report the information described in subsection (3) of this section to the department regarding each prescription drug for which:

(a) The price was \$100 or more for a one-month supply or for a course of treatment lasting less than one month; and

(b) There was a net increase of 10 percent or more in the price of the prescription drug

1 described in paragraph (a) of this subsection over the course of the previous calendar year.

2 (3) For each prescription drug described in subsection (2) of this section, a manufacturer
3 shall report to the department, in the form and manner prescribed by the department:

4 (a) The name and price of the prescription drug and the net increase, expressed as a
5 percentage, in the price of the drug over the course of the previous calendar year;

6 (b) The length of time the prescription drug has been on the market;

7 (c) The factors that contributed to the price increase;

8 (d) The name of any generic version of the prescription drug available on the market;

9 (e) The research and development costs associated with the prescription drug that were
10 paid using public funds;

11 (f) The direct costs incurred by the manufacturer:

12 (A) To manufacture the prescription drug;

13 (B) To market the prescription drug;

14 (C) To distribute the prescription drug; and

15 (D) For ongoing safety and effectiveness research associated with the prescription drug;

16 (g) The total sales revenue for the prescription drug during the previous calendar year;

17 (h) The manufacturer's profit attributable to the prescription drug during the previous
18 calendar year;

19 (i) The introductory price of the prescription drug when it was approved for marketing
20 by the United States Food and Drug Administration and the net yearly increase, by calendar
21 year, in the price of the prescription drug during the previous five years;

22 (j) The 10 highest prices paid for the prescription drug during the previous calendar year
23 in any country other than the United States;

24 (k) Any other information that the manufacturer deems relevant to the price increase
25 described in subsection (2)(b) of this section; and

26 (L) The documentation necessary to support the information reported under this sub-
27 section.

28 (4) The department may use any prescription drug price information the department
29 deems appropriate to verify that manufacturers have properly reported price increases as
30 required by subsections (2) and (3) of this section.

31 (5) A manufacturer shall accompany the report provided under subsection (2) of this
32 section with the following information about each patient assistance program offered by the
33 manufacturer to consumers residing in this state for the prescription drugs described in
34 subsection (2) of this section:

35 (a) The number of consumers who participated in the program;

36 (b) The total value of the coupons, discounts, copayment assistance or other reduction
37 in costs provided to consumers in this state who participated in the program;

38 (c) For each drug, the number of refills that qualify for the program, if applicable;

39 (d) If the program expires after a specified period of time, the period of time that the
40 program is available to each consumer; and

41 (e) The eligibility criteria for the program and how eligibility is verified for accuracy.

42 (6) No later than 30 days after a manufacturer introduces a new prescription drug for
43 sale in the United States at a price that exceeds the threshold established by the Centers for
44 Medicare and Medicaid Services for specialty drugs in the Medicare Part D program, the
45 manufacturer shall notify the department, in the form and manner prescribed by the de-

1 **partment, of all the following information:**

2 **(a) A description of the marketing used in the introduction of the new prescription drug;**

3 **(b) The methodology used to establish the price of the new prescription drug;**

4 **(c) Whether the United States Food and Drug Administration granted the new pre-**
5 **scription drug a breakthrough therapy designation or a priority review;**

6 **(d) If the new prescription drug was not developed by the manufacturer, the date of and**
7 **the price paid for acquisition of the new prescription drug by the manufacturer;**

8 **(e) The manufacturer's estimate of the average number of patients who will be prescribed**
9 **the new prescription drug each month; and**

10 **(f) The research and development costs associated with the new prescription drug that**
11 **were paid using public funds.**

12 **(7)(a) After receiving the report or information described in subsections (2), (3), (5) or (6)**
13 **of this section, the department may make a written request to the manufacturer for sup-**
14 **porting documentation or additional information concerning the report. The department shall**
15 **prescribe by rule the periods:**

16 **(A) Following the receipt of the report or information during which the department may**
17 **request additional information; and**

18 **(B) Following a request by the department for additional information during which a**
19 **manufacturer may respond to the request.**

20 **(b) The department may extend the period prescribed under paragraph (a)(B) of this**
21 **subsection, as necessary, on a case-by-case basis.**

22 **(8) A manufacturer may be subject to a civil penalty, as provided in section 3 of this 2018**
23 **Act, for:**

24 **(a) Failing to submit timely reports or notices as required by this section;**

25 **(b) Failing to provide information required under this section;**

26 **(c) Failing to respond in a timely manner to a written request by the department for**
27 **additional information under subsection (7) of this section; or**

28 **(d) Providing inaccurate or incomplete information under this section.**

29 **(9) Except as provided in subsection (10) of this section, the department shall post to its**
30 **website all of the following information:**

31 **(a) A list of the prescription drugs reported under subsection (2) of this section and the**
32 **manufacturers of those prescription drugs;**

33 **(b) Information reported to the department under subsections (3) and (5) to (7) of this**
34 **section; and**

35 **(c) Written requests by the department for additional information under subsection (7)**
36 **of this section.**

37 **(10)(a) The department may not post to its website any information described in sub-**
38 **section (9) of this section if:**

39 **(A) The information is conditionally exempt from disclosure under ORS 192.345 as a trade**
40 **secret; and**

41 **(B) The public interest does not require disclosure of the information.**

42 **(b) If the department withholds any information from public disclosure pursuant to this**
43 **subsection, the department shall post to its website a report describing the nature of the**
44 **information and the department's basis for withholding the information from disclosure.**

45 **(c) A person may petition the Attorney General, as provided in ORS 192.411, to review a**

1 decision by the department to withhold information pursuant to paragraph (a) of this sub-
2 section.

3 (11) The department shall make available to consumers, online and by telephone, a pro-
4 cess for consumers to notify the department about an increase in the price of a prescription
5 drug.

6 (12) The department may adopt rules as necessary for carrying out the provisions of this
7 section, including but not limited to rules establishing fees to be paid by manufacturers to
8 be used solely to pay the costs of the department in carrying out the provisions of this sec-
9 tion.

10 (13) No later than December 15 of each year, the department shall compile and report the
11 information collected by the department under this section to the interim committees of the
12 Legislative Assembly related to health. The report shall include recommendations for legis-
13 lative changes, if any, to contain the cost of prescription drugs and reduce the impact of
14 price increases on consumers, the Department of Corrections, the Public Employees' Benefit
15 Board, the Oregon Health Authority, the Department of Human Services, the Oregon Edu-
16 cators Benefit Board and health insurance premiums in the commercial market.

17 **SECTION 3.** (1) A manufacturer that fails to report or provide information as required
18 by section 2 of this 2018 Act may be subject to a civil penalty as provided in this section.

19 (2) The Department of Consumer and Business Services shall adopt a schedule of penal-
20 ties, not to exceed \$10,000 per day of violation, based on the severity of each violation.

21 (3) The department shall impose civil penalties under this section as provided in ORS
22 183.745.

23 (4) The department may remit or mitigate civil penalties under this section upon terms
24 and conditions the department considers proper and consistent with the public health and
25 safety.

26 (5) Civil penalties collected under this section shall be paid over to the State Treasurer
27 and deposited in the General Fund to be made available for general governmental expenses.

28 **SECTION 4.** Section 5 of this 2018 Act is added to and made a part of the Insurance Code.

29 **SECTION 5.** (1) An insurer shall include with any filing under ORS 743.018 the following
30 information regarding drugs reimbursed by the insurer under policies or certificates issued
31 in this state:

32 (a) The 25 most frequently prescribed drugs;

33 (b) The 25 most costly drugs as a portion of total annual spending;

34 (c) The 25 drugs that have caused the greatest increase in total plan spending from one
35 year to the next; and

36 (d) The impact of the costs of prescription drugs on premium rates.

37 (2) The Department of Consumer and Business Services shall conduct a public hearing
38 annually on prescription drug prices, information reported to the department under section
39 2 of this 2018 Act and information described in subsection (1) of this section.

40 (3) The department shall regularly update the interim committees of the Legislative As-
41 sembly related to health on the information described in subsection (1) of this section.

42 (4) Subsection (1) of this section applies to an insurer that issues policies or certificates
43 of health insurance for sale in this state that include a prescription drug benefit.

44 **SECTION 6.** ORS 743.018 is amended to read:

45 743.018. (1) Except for group life and health insurance, and except as provided in ORS 743.015,

1 every insurer shall file with the Director of the Department of Consumer and Business Services all
2 schedules and tables of premium rates for life and health insurance to be used on risks in this state,
3 and shall file any amendments to or corrections of such schedules and tables. Premium rates are
4 subject to approval, disapproval or withdrawal of approval by the director as provided in ORS
5 742.003, 742.005, 742.007 and 743.019.

6 (2) Except as provided in ORS 743B.013 and subsection (3) of this section, a rate filing by a
7 carrier for any of the following health benefit plans subject to ORS 743.004, 743.022, 743.535 and
8 743B.003 to 743B.127 shall be available for public inspection immediately upon submission of the
9 filing to the director:

10 (a) Health benefit plans for small employers.

11 (b) Individual health benefit plans.

12 (3) The director may by rule:

13 (a) Specify all information a carrier must submit as part of a rate filing under this section; and

14 (b) Identify the information submitted that will be exempt from disclosure under this section
15 because the information constitutes a trade secret and would, if disclosed, harm competition.

16 (4) The director, after conducting an actuarial review of the rate filing, may approve a proposed
17 premium rate for a health benefit plan for small employers or for an individual health benefit plan
18 if, in the director's discretion, the proposed rates are:

19 (a) Actuarially sound;

20 (b) Reasonable and not excessive, inadequate or unfairly discriminatory; and

21 (c) Based upon reasonable administrative expenses.

22 (5) In order to determine whether the proposed premium rates for a health benefit plan for small
23 employers or for an individual health benefit plan are reasonable and not excessive, inadequate or
24 unfairly discriminatory, the director may consider:

25 (a) The insurer's financial position, including but not limited to profitability, surplus, reserves
26 and investment savings.

27 (b) Historical and projected administrative costs and medical and hospital expenses, **including**
28 **expenses for drugs reported under section 5 of this 2018 Act.**

29 (c) Historical and projected loss ratio between the amounts spent on medical services and
30 earned premiums.

31 (d) Any anticipated change in the number of enrollees if the proposed premium rate is approved.

32 (e) Changes to covered benefits or health benefit plan design.

33 (f) Changes in the insurer's health care cost containment and quality improvement efforts since
34 the insurer's last rate filing for the same category of health benefit plan.

35 (g) Whether the proposed change in the premium rate is necessary to maintain the insurer's
36 solvency or to maintain rate stability and prevent excessive rate increases in the future.

37 (h) Any public comments received under ORS 743.019 pertaining to the standards set forth in
38 subsection (4) of this section and this subsection.

39 (6) The requirements of this section do not supersede other provisions of law that require
40 insurers, health care service contractors or multiple employer welfare arrangements providing
41 health insurance to file schedules or tables of premium rates or proposed premium rates with the
42 director or to seek the director's approval of rates or changes to rates.

43 **SECTION 7.** ORS 750.055 is amended to read:

44 750.055. (1) The following provisions apply to health care service contractors to the extent not
45 inconsistent with the express provisions of ORS 750.005 to 750.095:

1 (a) ORS 705.137, 705.138 and 705.139.

2 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386, 731.390, 731.398
3 to 731.430, 731.428, 731.450, 731.454, 731.485, as provided in subsection (2) of this section, ORS
4 731.488, 731.504, 731.508, 731.509, 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652,
5 731.730, 731.731, 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

6 (c) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.596, not
7 including ORS 732.582.

8 (d) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
9 to 733.780.

10 (e) ORS 734.014 to 734.440.

11 (f) ORS 735.600 to 735.650.

12 (g) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to 742.162 and 742.518 to
13 742.542.

14 (h) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.019, 743.020, 743.022, 743.023,
15 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to 743.109, 743.402, 743.405, 743.406,
16 743.417, 743.472, 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650
17 to 743.656, 743.680 to 743.689, 743.788 and 743.790.

18 (i) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036, 743A.040, 743A.044,
19 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
20 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
21 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.170,
22 743A.175, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252 and 743A.260 and section 2,
23 chapter 771, Oregon Laws 2013.

24 (j) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195 to 743B.204, 743B.220,
25 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256, 743B.257,
26 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310, 743B.320, 743B.323, 743B.330, 743B.340,
27 743B.341, 743B.342, 743B.343 to 743B.347, 743B.400, 743B.403, 743B.407, 743B.420, 743B.423, 743B.450,
28 743B.451, 743B.452, 743B.453, 743B.470, 743B.475, 743B.505, 743B.550, 743B.555, 743B.601, 743B.602
29 and 743B.800 **and section 5 of this 2018 Act.**

30 (k) The following provisions of ORS chapter 744:

31 (A) ORS 744.001 to 744.009, 744.011, 744.013, 744.014, 744.018, 744.022 to 744.033, 744.037, 744.052
32 to 744.089, 744.091 and 744.093, relating to the regulation of insurance producers;

33 (B) ORS 744.605, 744.609, 744.619, 744.621, 744.626, 744.631, 744.635, 744.650, 744.655 and 744.665,
34 relating to the regulation of insurance consultants; and

35 (C) ORS 744.700 to 744.740, relating to the regulation of third party administrators.

36 (L) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
37 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

38 (2) The following provisions of the Insurance Code apply to health care service contractors ex-
39 cept in the case of group practice health maintenance organizations that are federally qualified
40 pursuant to Title XIII of the Public Health Service Act:

41 (a) ORS 731.485, if the group practice health maintenance organization wholly owns and oper-
42 ates an in-house drug outlet.

43 (b) ORS 743A.024, unless the patient is referred by a physician, physician assistant or nurse
44 practitioner associated with a group practice health maintenance organization.

45 (3) For the purposes of this section, health care service contractors are insurers.

1 (4) Any for-profit health care service contractor organized under the laws of any other state that
2 is not governed by the insurance laws of the other state is subject to all requirements of ORS
3 chapter 732.

4 (5)(a) A health care service contractor is a domestic insurance company for the purpose of de-
5 termining whether the health care service contractor is a debtor, as defined in 11 U.S.C. 109.

6 (b) A health care service contractor's classification as a domestic insurance company under
7 paragraph (a) of this subsection does not subject the health care service contractor to ORS 734.510
8 to 734.710.

9 (6) The Director of the Department of Consumer and Business Services may, after notice and
10 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
11 and 750.045 that are necessary for the proper administration of these provisions.

12 **SECTION 8.** ORS 750.055, as amended by section 21, chapter 771, Oregon Laws 2013, section
13 7, chapter 25, Oregon Laws 2014, section 82, chapter 45, Oregon Laws 2014, section 9, chapter 59,
14 Oregon Laws 2015, section 7, chapter 100, Oregon Laws 2015, section 7, chapter 224, Oregon Laws
15 2015, section 11, chapter 362, Oregon Laws 2015, section 10, chapter 470, Oregon Laws 2015, section
16 30, chapter 515, Oregon laws 2015, section 10, chapter 206, Oregon Laws 2017, section 6, chapter
17 417, Oregon Laws 2017, and section 22, chapter 479, Oregon Laws 2017, is amended to read:

18 750.055. (1) The following provisions apply to health care service contractors to the extent not
19 inconsistent with the express provisions of ORS 750.005 to 750.095:

20 (a) ORS 705.137, 705.138 and 705.139.

21 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386, 731.390, 731.398
22 to 731.430, 731.428, 731.450, 731.454, 731.485, as provided in subsection (2) of this section, ORS
23 731.488, 731.504, 731.508, 731.509, 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652,
24 731.730, 731.731, 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

25 (c) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.596, not
26 including ORS 732.582.

27 (d) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
28 to 733.780.

29 (e) ORS 734.014 to 734.440.

30 (f) ORS 735.600 to 735.650.

31 (g) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to 742.162 and 742.518 to
32 742.542.

33 (h) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.019, 743.020, 743.022, 743.023,
34 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to 743.109, 743.402, 743.405, 743.406,
35 743.417, 743.472, 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650
36 to 743.656, 743.680 to 743.689, 743.788 and 743.790.

37 (i) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036, 743A.040, 743A.044,
38 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
39 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
40 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.170,
41 743A.175, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252 and 743A.260.

42 (j) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195 to 743B.204, 743B.220,
43 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256, 743B.257,
44 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310, 743B.320, 743B.323, 743B.330, 743B.340,
45 743B.341, 743B.342, 743B.343 to 743B.347, 743B.400, 743B.403, 743B.407, 743B.420, 743B.423, 743B.450,

1 743B.451, 743B.452, 743B.453, 743B.470, 743B.475, 743B.505, 743B.550, 743B.555, 743B.601, 743B.602
2 and 743B.800 **and section 5 of this 2018 Act.**

3 (k) The following provisions of ORS chapter 744:

4 (A) ORS 744.001 to 744.009, 744.011, 744.013, 744.014, 744.018, 744.022 to 744.033, 744.037, 744.052
5 to 744.089, 744.091 and 744.093, relating to the regulation of insurance producers;

6 (B) ORS 744.605, 744.609, 744.619, 744.621, 744.626, 744.631, 744.635, 744.650, 744.655 and 744.665,
7 relating to the regulation of insurance consultants; and

8 (C) ORS 744.700 to 744.740, relating to the regulation of third party administrators.

9 (L) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
10 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

11 (2) The following provisions of the Insurance Code apply to health care service contractors ex-
12 cept in the case of group practice health maintenance organizations that are federally qualified
13 pursuant to Title XIII of the Public Health Service Act:

14 (a) ORS 731.485, if the group practice health maintenance organization wholly owns and oper-
15 ates an in-house drug outlet.

16 (b) ORS 743A.024, unless the patient is referred by a physician, physician assistant or nurse
17 practitioner associated with a group practice health maintenance organization.

18 (3) For the purposes of this section, health care service contractors are insurers.

19 (4) Any for-profit health care service contractor organized under the laws of any other state that
20 is not governed by the insurance laws of the other state is subject to all requirements of ORS
21 chapter 732.

22 (5)(a) A health care service contractor is a domestic insurance company for the purpose of de-
23 termining whether the health care service contractor is a debtor, as defined in 11 U.S.C. 109.

24 (b) A health care service contractor's classification as a domestic insurance company under
25 paragraph (a) of this subsection does not subject the health care service contractor to ORS 734.510
26 to 734.710.

27 (6) The Director of the Department of Consumer and Business Services may, after notice and
28 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
29 and 750.045 that are necessary for the proper administration of these provisions.

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