

HB 2703 STAFF MEASURE SUMMARY

House Committee On Health Care

Prepared By: Oliver Droppers, LPRO Analyst

Meeting Dates: 2/26

WHAT THE MEASURE DOES:

Requires the Department of Consumer and Business Services to adopt rules for offering short-term health insurance policies. Specifies requirements for short term health plans. Defines short term health plans as policies in effect for periods of three months or less.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In accordance with recent federal changes in 2018, the Department of Health and Human Services defined short-term health plans and extended the duration of these plans up to 12 months, with a total duration of 36 months (or less) including renewals starting in 2019. These types of health plans are primarily designed to fill temporary gaps in insurance coverage that may occur when individuals transition between coverage. Federal law allows states to regulate short-term health plans as these plans are exempt from the federal Affordable Care Act requirements such as guaranteed availability, required benefit coverage, lifetime and annual dollar limits, and coverage for pre-existing conditions (Department of Consumer and Business Services).

Oregon law limits short-term health insurance plans, as limited-duration health insurance, to three months, and renewals and new policies cannot be issued within 60 days of expiration.

House Bill 2703 modifies current regulation of short-term health insurance plans in Oregon.