

House Bill 2719

Sponsored by Representative HAYDEN (at the request of Building Excellent Schools Together)

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 **as introduced**.

Requires health insurance that covers alcohol and drug treatment to cover treatment when provided to students by school districts or charter schools directly or indirectly by contracting with licensed providers. Applies requirement to health care service contractors and multiple employer welfare arrangements.

A BILL FOR AN ACT

1
2 Relating to reimbursing the cost of chemical dependency services provided to students by schools;
3 creating new provisions; and amending ORS 750.055 and 750.333.

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

5 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. (1) An insurer offering a policy or certificate of health insurance that re-**
7 **imburses the cost of drug and alcohol treatment must reimburse the cost of a covered drug**
8 **or alcohol treatment service provided by a school district or charter school directly, or in-**
9 **directly by contracting with a licensed provider, to a student who is a beneficiary of the**
10 **policy or certificate of insurance.**

11 **(2) An insurer shall make available to school districts and charter schools a means by**
12 **which a school district or charter school may bill for covered services.**

13 **(3) Coverage under this section is subject to any copayments specified in the terms of the**
14 **policy or certificate of insurance. An insurer may not deny reimbursement of claims on the**
15 **basis that a third party, including a school district or charter school, paid the copayment.**

16 **(4) This section is exempt from ORS 743A.001.**

17 **SECTION 3. ORS 750.055, as amended by section 9, chapter 7, Oregon Laws 2018, is amended**
18 **to read:**

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

21 (a) ORS 705.137, 705.138 and 705.139.

22 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386, 731.390, 731.398
23 to 731.430, 731.428, 731.450, 731.454, 731.485, as provided in subsection (2) of this section, ORS
24 731.488, 731.504, 731.508, 731.509, 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652,
25 731.730, 731.731, 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

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

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

30 (e) ORS 734.014 to 734.440.

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.

1 (f) ORS 735.600 to 735.650.

2 (g) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to 742.162 and 742.518 to
3 742.542.

4 (h) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.019, 743.020, 743.022, 743.023,
5 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to 743.109, 743.402, 743.405, 743.406,
6 743.417, 743.472, 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650
7 to 743.656, 743.680 to 743.689, 743.788 and 743.790.

8 (i) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036, 743A.040, 743A.044,
9 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
10 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
11 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.170,
12 743A.175, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252 and 743A.260 and section 2,
13 chapter 771, Oregon Laws 2013, **and section 2 of this 2019 Act.**

14 (j) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195 to 743B.204, 743B.220,
15 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256, 743B.257,
16 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310, 743B.320, 743B.323, 743B.330, 743B.340,
17 743B.341, 743B.342, 743B.343 to 743B.347, 743B.400, 743B.403, 743B.407, 743B.420, 743B.423, 743B.450,
18 743B.451, 743B.452, 743B.453, 743B.470, 743B.475, 743B.505, 743B.550, 743B.555, 743B.601, 743B.602
19 and 743B.800 and section 5, chapter 7, Oregon Laws 2018.

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

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

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

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

26 (L) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
27 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

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

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

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

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

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

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

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

44 (6) The Director of the Department of Consumer and Business Services may, after notice and
45 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025

1 and 750.045 that are necessary for the proper administration of these provisions.

2 **SECTION 4.** ORS 750.055, as amended by section 21, chapter 771, Oregon Laws 2013, section
 3 7, chapter 25, Oregon Laws 2014, section 82, chapter 45, Oregon Laws 2014, section 9, chapter 59,
 4 Oregon Laws 2015, section 7, chapter 100, Oregon Laws 2015, section 7, chapter 224, Oregon Laws
 5 2015, section 11, chapter 362, Oregon Laws 2015, section 10, chapter 470, Oregon Laws 2015, section
 6 30, chapter 515, Oregon Laws 2015, section 10, chapter 206, Oregon Laws 2017, section 6, chapter
 7 417, Oregon Laws 2017, section 22, chapter 479, Oregon Laws 2017, and section 10, chapter 7,
 8 Oregon Laws 2018, is amended to read:

9 750.055. (1) The following provisions apply to health care service contractors to the extent not
 10 inconsistent with the express provisions of ORS 750.005 to 750.095:

11 (a) ORS 705.137, 705.138 and 705.139.

12 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386, 731.390, 731.398
 13 to 731.430, 731.428, 731.450, 731.454, 731.485, as provided in subsection (2) of this section, ORS
 14 731.488, 731.504, 731.508, 731.509, 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652,
 15 731.730, 731.731, 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

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

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

20 (e) ORS 734.014 to 734.440.

21 (f) ORS 735.600 to 735.650.

22 (g) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to 742.162 and 742.518 to
 23 742.542.

24 (h) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.019, 743.020, 743.022, 743.023,
 25 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to 743.109, 743.402, 743.405, 743.406,
 26 743.417, 743.472, 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650
 27 to 743.656, 743.680 to 743.689, 743.788 and 743.790.

28 (i) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036, 743A.040, 743A.044,
 29 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
 30 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
 31 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.170,
 32 743A.175, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252 and 743A.260 **and section 2**
 33 **of this 2019 Act.**

34 (j) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195 to 743B.204, 743B.220,
 35 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256, 743B.257,
 36 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310, 743B.320, 743B.323, 743B.330, 743B.340,
 37 743B.341, 743B.342, 743B.343 to 743B.347, 743B.400, 743B.403, 743B.407, 743B.420, 743B.423, 743B.450,
 38 743B.451, 743B.452, 743B.453, 743B.470, 743B.475, 743B.505, 743B.550, 743B.555, 743B.601, 743B.602
 39 and 743B.800 and section 5, chapter 7, Oregon Laws 2018.

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

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

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

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

1 (L) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
2 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

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

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

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

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

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

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

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

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

22 **SECTION 5.** ORS 750.333 is amended to read:

23 750.333. (1) The following provisions apply to trusts carrying out a multiple employer welfare
24 arrangement:

25 (a) ORS 705.137, 705.138 and 705.139.

26 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316, 731.324, 731.328,
27 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414, 731.418 to 731.434, 731.454, 731.484,
28 731.486, 731.488, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804, 731.808 and 731.844 to
29 731.992.

30 (c) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695 to 733.780.

31 (d) ORS 734.014 to 734.440.

32 (e) ORS 742.001 to 742.009, 742.013, 742.016, 742.061 and 742.065.

33 (f) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.020, 743.023, 743.028, 743.029,
34 743.053, 743.405, 743.406, 743.524, 743.526 and 743.535.

35 (g) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.024, 743A.034, 743A.036, 743A.040,
36 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
37 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
38 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.170,
39 743A.175, 743A.180, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252 and 743A.260 **and**
40 **section 2 of this 2019 Act.**

41 (h) ORS 743B.001, 743B.003 to 743B.127 (except 743B.125 to 743B.127), 743B.195 to 743B.204,
42 743B.220, 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256,
43 743B.257, 743B.258, 743B.310, 743B.320, 743B.321, 743B.330, 743B.340, 743B.341, 743B.342, 743B.343,
44 743B.344, 743B.345, 743B.347, 743B.400, 743B.403, 743B.407, 743B.420, 743B.423, 743B.451, 743B.453,
45 743B.470, 743B.505, 743B.550, 743B.555 and 743B.601.

- 1 (i) The following provisions of ORS chapter 744:
2 (A) ORS 744.001 to 744.009, 744.011, 744.013, 744.014, 744.018, 744.022 to 744.033, 744.037, 744.052
3 to 744.089, 744.091 and 744.093, relating to the regulation of insurance producers;
4 (B) ORS 744.605, 744.609, 744.619, 744.621, 744.626, 744.631, 744.635, 744.650, 744.655 and 744.665,
5 relating to the regulation of insurance consultants; and
6 (C) ORS 744.700 to 744.740, relating to the regulation of third party administrators.
7 (j) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.
- 8 (2) For the purposes of this section:
9 (a) A trust carrying out a multiple employer welfare arrangement shall be considered an insurer.
10 (b) References to certificates of authority shall be considered references to certificates of mul-
11 tiple employer welfare arrangement.
12 (c) Contributions shall be considered premiums.
- 13 (3) The provision of health benefits under ORS 750.301 to 750.341 shall be considered to be the
14 transaction of health insurance.
- 15 (4) The Department of Consumer and Business Services may adopt rules that are necessary to
16 implement the provisions of ORS 750.301 to 750.341.
- 17 **SECTION 6. Section 2 of this 2019 Act and the amendments to ORS 750.055 and 750.333**
18 **by sections 3 to 5 of this 2019 Act apply to policies and certificates of insurance that are is-**
19 **sued, renewed or extended on or after the effective date of this 2019 Act.**
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