

# House Bill 3320

Sponsored by Representative SPRENGER

## 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**.

Eliminates requirement for retainer medical practice to be certified by Department of Consumer and Business Services.

## A BILL FOR AN ACT

1  
2 Relating to retainer medical practices; creating new provisions; amending ORS 731.036; and repeal-  
3 ing ORS 735.500 and 735.510.

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

5 **SECTION 1. As used in this section and ORS 731.036:**

6 (1) **"Primary care" means outpatient, nonspecialty medical services or the coordination**  
7 **of health care for the purpose of:**

8 (a) **Promoting or maintaining mental and physical health and wellness; and**

9 (b) **Diagnosis, treatment or management of acute or chronic conditions caused by dis-**  
10 **ease, injury or illness.**

11 (2) **"Provider" means a health care professional licensed or certified under ORS chapter**  
12 **677, 678, 684 or 685 who provides primary care in the ordinary course of business or practice**  
13 **of a profession.**

14 (3) **"Retainer medical agreement" means a written agreement between a retainer medical**  
15 **practice and a patient or a legal representative or guardian of a patient specifying a defined**  
16 **and predetermined set of primary care services to be provided in consideration for a retainer**  
17 **medical fee.**

18 (4) **"Retainer medical fee" means any fee paid to a retainer medical practice pursuant to**  
19 **a retainer medical agreement.**

20 (5) **"Retainer medical practice" means a provider, a group of providers or a person that**  
21 **employs or contracts with a provider or a group of providers to provide services under the**  
22 **terms of a retainer medical agreement.**

23 **SECTION 2. ORS 731.036 is amended to read:**

24 731.036. Except as provided in ORS 743.029 or as specifically provided by law, the Insurance  
25 Code does not apply to any of the following to the extent of the subject matter of the exemption:

26 (1) A bail bondsman, other than a corporate surety and its agents.

27 (2) A fraternal benefit society that has maintained lodges in this state and other states for 50  
28 years prior to January 1, 1961, and for which a certificate of authority was not required on that  
29 date.

30 (3) A religious organization providing insurance benefits only to its employees, if the organiza-  
tion is in existence and exempt from taxation under section 501(c)(3) of the federal Internal Revenue

**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 Code on September 13, 1975.

2 (4) Public bodies, as defined in ORS 30.260, that either individually or jointly establish a self-  
3 insurance program for tort liability in accordance with ORS 30.282.

4 (5) Public bodies, as defined in ORS 30.260, that either individually or jointly establish a self-  
5 insurance program for property damage in accordance with ORS 30.282.

6 (6) Cities, counties, school districts, community college districts, community college service dis-  
7 tricts or districts, as defined in ORS 198.010 and 198.180, that either individually or jointly insure  
8 for health insurance coverage, excluding disability insurance, their employees or retired employees,  
9 or their dependents, or students engaged in school activities, or combination of employees and de-  
10 pendents, with or without employee or student contributions, if all of the following conditions are  
11 met:

12 (a) The individual or jointly self-insured program meets the following minimum requirements:

13 (A) In the case of a school district, community college district or community college service  
14 district, the number of covered employees and dependents and retired employees and dependents  
15 aggregates at least 500 individuals;

16 (B) In the case of an individual public body program other than a school district, community  
17 college district or community college service district, the number of covered employees and depen-  
18 dents and retired employees and dependents aggregates at least 500 individuals; and

19 (C) In the case of a joint program of two or more public bodies, the number of covered em-  
20 ployees and dependents and retired employees and dependents aggregates at least 1,000 individuals;

21 (b) The individual or jointly self-insured health insurance program includes all coverages and  
22 benefits required of group health insurance policies under ORS chapters 743, 743A and 743B;

23 (c) The individual or jointly self-insured program must have program documents that define  
24 program benefits and administration;

25 (d) Enrollees must be provided copies of summary plan descriptions including:

26 (A) Written general information about services provided, access to services, charges and sched-  
27 uling applicable to each enrollee's coverage;

28 (B) The program's grievance and appeal process; and

29 (C) Other group health plan enrollee rights, disclosure or written procedure requirements es-  
30 tablished under ORS chapters 743, 743A and 743B;

31 (e) The financial administration of an individual or jointly self-insured program must include the  
32 following requirements:

33 (A) Program contributions and reserves must be held in separate accounts and used for the ex-  
34 clusive benefit of the program;

35 (B) The program must maintain adequate reserves. Reserves may be invested in accordance with  
36 the provisions of ORS chapter 293. Reserve adequacy must be calculated annually with proper  
37 actuarial calculations including the following:

38 (i) Known claims, paid and outstanding;

39 (ii) A history of incurred but not reported claims;

40 (iii) Claims handling expenses;

41 (iv) Unearned contributions; and

42 (v) A claims trend factor; and

43 (C) The program must maintain adequate reinsurance against the risk of economic loss in ac-  
44 cordance with the provisions of ORS 742.065 unless the program has received written approval for  
45 an alternative arrangement for protection against economic loss from the Director of the Depart-

1 ment of Consumer and Business Services;

2 (f) The individual or jointly self-insured program must have sufficient personnel to service the  
 3 employee benefit program or must contract with a third party administrator licensed under ORS  
 4 chapter 744 as a third party administrator to provide such services;

5 (g) The public body, or the program administrator in the case of a joint insurance program of  
 6 two or more public bodies, files with the Director of the Department of Consumer and Business  
 7 Services copies of all documents creating and governing the program, all forms used to communicate  
 8 the coverage to beneficiaries, the schedule of payments established to support the program and,  
 9 annually, a financial report showing the total incurred cost of the program for the preceding year.  
 10 A copy of the annual audit required by ORS 297.425 may be used to satisfy the financial report filing  
 11 requirement; and

12 (h) Each public body in a joint insurance program is liable only to its own employees and no  
 13 others for benefits under the program in the event, and to the extent, that no further funds, in-  
 14 cluding funds from insurance policies obtained by the pool, are available in the joint insurance pool.

15 (7) All ambulance services.

16 (8) A person providing any of the services described in this subsection. The exemption under this  
 17 subsection does not apply to an authorized insurer providing such services under an insurance pol-  
 18 icy. This subsection applies to the following services:

19 (a) Towing service.

20 (b) Emergency road service, which means adjustment, repair or replacement of the equipment,  
 21 tires or mechanical parts of a motor vehicle in order to permit the motor vehicle to be operated  
 22 under its own power.

23 (c) Transportation and arrangements for the transportation of human remains, including all  
 24 necessary and appropriate preparations for and actual transportation provided to return a  
 25 decedent's remains from the decedent's place of death to a location designated by a person with  
 26 valid legal authority under ORS 97.130.

27 (9)(a) A person described in this subsection who, in an agreement to lease or to finance the  
 28 purchase of a motor vehicle, agrees to waive for no additional charge the amount specified in par-  
 29 agraph (b) of this subsection upon total loss of the motor vehicle because of physical damage, theft  
 30 or other occurrence, as specified in the agreement. The exemption established in this subsection  
 31 applies to the following persons:

32 (A) The seller of the motor vehicle, if the sale is made pursuant to a motor vehicle retail in-  
 33 stallment contract.

34 (B) The lessor of the motor vehicle.

35 (C) The lender who finances the purchase of the motor vehicle.

36 (D) The assignee of a person described in this paragraph.

37 (b) The amount waived pursuant to the agreement shall be the difference, or portion thereof,  
 38 between the amount received by the seller, lessor, lender or assignee, as applicable, that represents  
 39 the actual cash value of the motor vehicle at the date of loss, and the amount owed under the  
 40 agreement.

41 (10) A self-insurance program for tort liability or property damage that is established by two or  
 42 more affordable housing entities and that complies with the same requirements that public bodies  
 43 must meet under ORS 30.282 (6). As used in this subsection:

44 (a) "Affordable housing" means housing projects in which some of the dwelling units may be  
 45 purchased or rented, with or without government assistance, on a basis that is affordable to indi-

1 individuals of low income.

2 (b) "Affordable housing entity" means any of the following:

3 (A) A housing authority created under the laws of this state or another jurisdiction and any  
4 agency or instrumentality of a housing authority, including but not limited to a legal entity created  
5 to conduct a self-insurance program for housing authorities that complies with ORS 30.282 (6).

6 (B) A nonprofit corporation that is engaged in providing affordable housing.

7 (C) A partnership or limited liability company that is engaged in providing affordable housing  
8 and that is affiliated with a housing authority described in subparagraph (A) of this paragraph or  
9 a nonprofit corporation described in subparagraph (B) of this paragraph if the housing authority or  
10 nonprofit corporation:

11 (i) Has, or has the right to acquire, a financial or ownership interest in the partnership or lim-  
12 ited liability company;

13 (ii) Has the power to direct the management or policies of the partnership or limited liability  
14 company;

15 (iii) Has entered into a contract to lease, manage or operate the affordable housing owned by  
16 the partnership or limited liability company; or

17 (iv) Has any other material relationship with the partnership or limited liability company.

18 (11) [*Except as provided in ORS 735.500 and 735.510, a person certified by the Department of*  
19 *Consumer and Business Services to operate*] A retainer medical practice.

20 **SECTION 3. ORS 735.500 and 735.510 are repealed.**

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