

DRAFT

SUMMARY

Digest: The Act creates a committee to review proposed measures that require a health plan to pay for a certain type of health service or a health service that is provided by a certain type of provider of health care. The committee must report the results of its review of each measure to the legislature. The LPRO director staffs the committee. (Flesch Readability Score: 66.6).

Establishes the Health Insurance Mandate Review Advisory Committee, staffed by the Legislative Policy and Research Director, to meet during interims between sessions of the Legislative Assembly to review any proposed measure sponsored by or submitted to the interim committees of the Legislative Assembly related to health if the measure requires health insurance policies to reimburse specified health care providers or to reimburse the cost of a specific service. Specifies the membership of the committee and the type of review that the committee must undertake.

Requires the committee to produce a report of its findings on each proposed measure no later than January 15 of the year in which the measure may be introduced or 15 days after a review is requested, whichever is later.

Requires the director to report to the Legislative Assembly, by December 31, 2026, on the work of the committee and recommendations for legislation. Sunsets June 30, 2027.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to health insurance mandates; creating new provisions; amending ORS 171.875 and 171.880; and prescribing an effective date.

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

SECTION 1. ORS 171.875 is amended to read:

171.875. *[Every proposed legislative measure that mandates a health insurance coverage, whether by requiring payment for certain providers or by requiring an offering of a health insurance coverage by an insurer or health care*

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.

service contractor as a component of individual or group health insurance policies, shall be accompanied by a report that assesses both the social and financial effects of the coverage in the manner provided in ORS 171.880, including the efficacy of the treatment or service proposed. The report may be prepared either by the chief sponsor or by any other proponent of the proposed measure. The report shall be submitted with the proposed measure when the proposed measure is submitted for filing, and shall be in writing and be a public record.]

(1) The Health Insurance Mandate Review Advisory Committee is established, consisting of the following members jointly appointed by the President of the Senate and the Speaker of the House of Representatives:

(a) One member representing businesses that offer group health insurance plans to employees.

(b) One member representing insurers that offer health benefit plans.

(c) One member representing health care providers who are not employed by insurers that offer health benefit plans.

(d) One member representing consumers of health insurance benefits who are not representative of businesses that offer group health insurance, insurers or health care providers.

(e) One member representing an organization or collaborative that promotes health equity policies and practices that are informed by racial justice principles.

(f) One member with expertise in the provision of health care in rural areas of this state.

(2) The term of office of each member of the advisory committee is four years, but the President and Speaker may jointly remove a member for any cause. If there is a vacancy for any cause, the President and the Speaker shall make an appointment to become immediately effective for the unexpired term.

(3) During the interim period between a regular or special session of the Legislative Assembly, the chair or vice chair of an interim committee of the Legislative Assembly related to health may submit to the Health Insurance Mandate Review Advisory Committee a proposed legislative measure, sponsored by the committee or submitted to the chair or vice chair by the chief sponsor of the proposed measure, that mandates a health insurance coverage, whether by requiring payment for certain providers or by requiring an offering of a health insurance coverage by an insurer or a health care service contractor as a component of individual or group health insurance policies.

(4)(a) The advisory committee shall develop and implement a process for reviewing and producing a report in accordance with ORS 171.880 on each proposed legislative measure described in subsection (3) of this section.

(b) With respect to each proposed measure described in subsection (3) of this section, the Legislative Policy and Research Director shall collect and compile the data needed by the advisory committee to analyze and make findings on each factor listed in ORS 171.880 and produce a report of its findings no later than January 15 of the year in which the proposed measure may be introduced or 15 days after the date that the review was requested, whichever is later.

(5) A majority of the members of the advisory committee constitutes a quorum for the transaction of business.

(6) Official action by the advisory committee requires the approval of a majority of the members of the advisory committee.

(7) The advisory committee shall elect one of its members to serve as chairperson.

(8) The advisory committee shall meet at times and places specified by the call of the chairperson or of a majority of the members of the advisory committee but may not meet during a regular or special session of the Legislative Assembly.

1 **(9) The advisory committee may adopt rules necessary for the op-**
2 **eration of the advisory committee.**

3 **(10) The Legislative Policy and Research Director shall provide staff**
4 **support to the advisory committee.**

5 **(11) Members of the advisory committee are not entitled to com-**
6 **pensation or reimbursement for expenses and serve as volunteers on**
7 **the advisory committee.**

8 **(12) All agencies of state government, as defined in ORS 174.111, and**
9 **the Oregon Health and Science University are directed to assist the**
10 **advisory committee in the performance of the duties of the advisory**
11 **committee and, to the extent permitted by laws relating to**
12 **confidentiality, to furnish information and advice the members of the**
13 **advisory committee consider necessary to perform their duties.**

14 **SECTION 2.** ORS 171.880 is amended to read:

15 171.880. (1) [*The*] **A Health Insurance Mandate Review Advisory**
16 **Committee** report required under ORS 171.875, to the extent that informa-
17 tion is available, shall include but need not be limited to [*the following*]:

18 [*(1) Answers to the following questions concerning the social effect of the*
19 *proposed measure:*]

20 [*(a) To what extent is the treatment or service used by the general popu-*
21 *lation of Oregon?*]

22 [*(b) To what extent is the insurance coverage already generally available*
23 *in Oregon?*]

24 [*(c) What proportion of the population of Oregon already has such*
25 *coverage?*]

26 [*(d) To what extent does the lack of coverage result in financial hardship*
27 *in Oregon?*]

28 [*(e) What evidence exists to document the medical need in Oregon for the*
29 *proposed treatment or services?*]

30 [*(2) Answers to the following questions concerning the financial effect of*
31 *the proposed measure:*]

1 *[(a) To what extent is the coverage expected to increase or decrease the cost*
2 *of treatment or services?]*

3 *[(b) To what extent is the coverage expected to increase the use of the*
4 *treatment or services?]*

5 *[(c) To what extent is the mandated treatment or services expected to be a*
6 *substitute for more expensive treatment or services?]*

7 *[(d) To what extent is the coverage expected to increase or decrease the*
8 *administrative expenses of insurance companies and the premium and admin-*
9 *istrative expenses of policyholders?]*

10 *[(e) What will be the effect of this coverage on the total cost of health*
11 *care?]*

12 **(a) The evidence that exists to document the medical need for the**
13 **treatment or services covered under the proposed measure;**

14 **(b) The extent of the coverage under the proposed measure;**

15 **(c) Whether the proposed measure ensures more or less equitable**
16 **access to treatment and services by residents of this state;**

17 **(d) Whether denying the coverage under the proposed measure will**
18 **disproportionately impact individuals described in ORS 746.021 and, if**
19 **so, a description of the impact;**

20 **(e) Whether the coverage under the proposed measure is an essen-**
21 **tial health benefit as defined in ORS 731.097;**

22 **(f) Other state or federal laws that relate to the proposed measure**
23 **including whether other states are defraying the cost of similar cov-**
24 **erage in accordance with 42 U.S.C. 18031(d)(3);**

25 **(g) The extent to which the coverage in the proposed measure is**
26 **already provided by the Public Employees' Benefit Board, the Oregon**
27 **Educators Benefit Board or individual, small employer group and large**
28 **employer group health insurance plans;**

29 **(h) The extent to which the coverage in the proposed measure is**
30 **provided in the state medical assistance program as prescribed by the**
31 **Oregon Health Authority under ORS 414.065 or in Medicare Parts A**

through D;

(i) The extent to which a lack of the coverage in the proposed measure results in financial hardship to residents of this state; and

(j) The financial effects of the proposed measure based on an actuarial analysis conducted by the Department of Consumer and Business Services including:

(A) The extent to which the proposed measure is expected to increase or decrease the cost of treatment or services and the utilization of treatment and services;

(B) The extent to which the treatment or services covered by the proposed measure are expected to substitute for more expensive treatment or services;

(C) The per member per month cost of the proposed measure on the Public Employees' Benefit Board, the Oregon Educators Benefit Board and enrollees in individual, small employer group and large employer group health insurance plans;

(D) The extent to which the coverage required by the proposed measure will cause an increase in premiums that will impose a financial hardship on residents in this state, particularly in rural areas or frontier areas, as designated by the Office of Rural Health; and

(E) The estimated impact of the proposed measure on the total cost of health care in this state.

(2) The report may not contain policy recommendations.

SECTION 3. No later than December 31, 2026, the Legislative Policy and Research Director, in collaboration with the Director of the Department of Consumer and Business Services and the Health Insurance Mandate Review Advisory Committee, shall report to the Legislative Assembly in the manner provided in ORS 192.245 on:

(1) The implementation of the amendments to ORS 171.875 and 171.880 by sections 1 and 2 of this 2024 Act; and

(2) Recommendations for changes to allow for and improve upon the

review of proposed measures described in ORS 171.875 (3) during regular or special sessions of the Legislative Assembly. The recommendations may include legislation or the need for additional resources.

SECTION 4. ORS 171.875, as amended by section 1 of this 2024 Act, is amended to read:

171.875. *[(1) The Health Insurance Mandate Review Advisory Committee is established, consisting of the following members jointly appointed by the President of the Senate and the Speaker of the House of Representatives:]*

[(a) One member representing businesses that offer group health insurance plans to employees.]

[(b) One member representing insurers that offer health benefit plans.]

[(c) One member representing health care providers who are not employed by insurers that offer health benefit plans.]

[(d) One member representing consumers of health insurance benefits who are not representative of businesses that offer group health insurance, insurers or health care providers.]

[(e) One member representing an organization or collaborative that promotes health equity policies and practices that are informed by racial justice principles.]

[(f) One member with expertise in the provision of health care in rural areas of this state.]

[(2) The term of office of each member of the advisory committee is four years, but the President and Speaker may jointly remove a member for any cause. If there is a vacancy for any cause, the President and the Speaker shall make an appointment to become immediately effective for the unexpired term.]

[(3) During the interim period between a regular or special session of the Legislative Assembly, the chair or vice chair of an interim committee of the Legislative Assembly related to health may submit to the Health Insurance Mandate Review Advisory Committee a proposed legislative measure, sponsored by the committee or submitted to the chair or vice chair by the chief sponsor of the proposed measure, that mandates a health insurance coverage,

1 *whether by requiring payment for certain providers or by requiring an offering*
2 *of a health insurance coverage by an insurer or a health care service contractor*
3 *as a component of individual or group health insurance policies.]*

4 *[(4)(a) The advisory committee shall develop and implement a process for*
5 *reviewing and producing a report in accordance with ORS 171.880 on each*
6 *proposed legislative measure described in subsection (3) of this section.]*

7 *[(b) With respect to each proposed measure described in subsection (3) of*
8 *this section, the Legislative Policy and Research Director shall collect and*
9 *compile the data needed by the advisory committee to analyze and make*
10 *findings on each factor listed in ORS 171.880 and produce a report of its*
11 *findings no later than January 15 of the year in which the proposed measure*
12 *may be introduced or 15 days after the date that the review was requested,*
13 *whichever is later.]*

14 *[(5) A majority of the members of the advisory committee constitutes a*
15 *quorum for the transaction of business.]*

16 *[(6) Official action by the advisory committee requires the approval of a*
17 *majority of the members of the advisory committee.]*

18 *[(7) The advisory committee shall elect one of its members to serve as*
19 *chairperson.]*

20 *[(8) The advisory committee shall meet at times and places specified by the*
21 *call of the chairperson or of a majority of the members of the advisory com-*
22 *mittee but may not meet during a regular or special session of the Legislative*
23 *Assembly.]*

24 *[(9) The advisory committee may adopt rules necessary for the operation of*
25 *the advisory committee.]*

26 *[(10) The Legislative Policy and Research Director shall provide staff sup-*
27 *port to the advisory committee.]*

28 *[(11) Members of the advisory committee are not entitled to compensation*
29 *or reimbursement for expenses and serve as volunteers on the advisory com-*
30 *mittee.]*

31 *[(12) All agencies of state government, as defined in ORS 174.111, and the*

Oregon Health and Science University are directed to assist the advisory committee in the performance of the duties of the advisory committee and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the advisory committee consider necessary to perform their duties.]

Every proposed legislative measure that mandates a health insurance coverage, whether by requiring payment for certain providers or by requiring an offering of a health insurance coverage by an insurer or health care service contractor as a component of individual or group health insurance policies, shall be accompanied by a report that assesses both the social and financial effects of the coverage in the manner provided in ORS 171.880, including the efficacy of the treatment or service proposed. The report may be prepared either by the chief sponsor or by any other proponent of the proposed measure. The report shall be submitted with the proposed measure when the proposed measure is submitted for filing, and shall be in writing and be a public record.

SECTION 5. ORS 171.880, as amended by section 2 of this 2024 Act, is amended to read:

171.880. *[(1) A Health Insurance Mandate Review Advisory Committee report required under ORS 171.875, to the extent that information is available, shall include but need not be limited to:]*

[(a) The evidence that exists to document the medical need for the treatment or services covered under the proposed measure;]

[(b) The extent of the coverage under the proposed measure;]

[(c) Whether the proposed measure ensures more or less equitable access to treatment and services by residents of this state;]

[(d) Whether denying the coverage under the proposed measure will disproportionately impact individuals described in ORS 746.021 and, if so, a description of the impact;]

[(e) Whether the coverage under the proposed measure is an essential health

benefit as defined in ORS 731.097;]

[(f) Other state or federal laws that relate to the proposed measure including whether other states are defraying the cost of similar coverage in accordance with 42 U.S.C. 18031(d)(3);]

[(g) The extent to which the coverage in the proposed measure is already provided by the Public Employees' Benefit Board, the Oregon Educators Benefit Board or individual, small employer group and large employer group health insurance plans;]

[(h) The extent to which the coverage in the proposed measure is provided in the state medical assistance program as prescribed by the Oregon Health Authority under ORS 414.065 or in Medicare Parts A through D;]

[(i) The extent to which a lack of the coverage in the proposed measure results in financial hardship to residents of this state; and]

[(j) The financial effects of the proposed measure based on an actuarial analysis conducted by the Department of Consumer and Business Services including;]

[(A) The extent to which the proposed measure is expected to increase or decrease the cost of treatment or services and the utilization of treatment and services;]

[(B) The extent to which the treatment or services covered by the proposed measure are expected to substitute for more expensive treatment or services;]

[(C) The per member per month cost of the proposed measure on the Public Employees' Benefit Board, the Oregon Educators Benefit Board and enrollees in individual, small employer group and large employer group health insurance plans;]

[(D) The extent to which the coverage required by the proposed measure will cause an increase in premiums that will impose a financial hardship on residents in this state, particularly in rural areas or frontier areas, as designated by the Office of Rural Health; and]

[(E) The estimated impact of the proposed measure on the total cost of health care in this state.]

1 [(2) *The report may not contain policy recommendations.*]

2 **The report required under ORS 171.875, to the extent that informa-**
3 **tion is available, shall include but need not be limited to the following:**

4 (1) **Answers to the following questions concerning the social effect**
5 **of the proposed measure:**

6 (a) **To what extent is the treatment or service used by the general**
7 **population of Oregon?**

8 (b) **To what extent is the insurance coverage already generally**
9 **available in Oregon?**

10 (c) **What proportion of the population of Oregon already has such**
11 **coverage?**

12 (d) **To what extent does the lack of coverage result in financial**
13 **hardship in Oregon?**

14 (e) **What evidence exists to document the medical need in Oregon**
15 **for the proposed treatment or services?**

16 (2) **Answers to the following questions concerning the financial ef-**
17 **fect of the proposed measure:**

18 (a) **To what extent is the coverage expected to increase or decrease**
19 **the cost of treatment or services?**

20 (b) **To what extent is the coverage expected to increase the use of**
21 **the treatment or services?**

22 (c) **To what extent is the mandated treatment or services expected**
23 **to be a substitute for more expensive treatment or services?**

24 (d) **To what extent is the coverage expected to increase or decrease**
25 **the administrative expenses of insurance companies and the premium**
26 **and administrative expenses of policyholders?**

27 (e) **What will be the effect of this coverage on the total cost of**
28 **health care?**

29 **SECTION 6. Section 3 of this 2024 Act is repealed on June 30, 2027.**

30 **SECTION 7. The amendments to ORS 171.875 and 171.880 by sections**
31 **4 and 5 of this 2024 Act become operative on June 30, 2027.**

1 **SECTION 8.** This 2024 Act takes effect on the 91st day after the date
2 on which the 2024 regular session of the Eighty-second Legislative
3 Assembly adjourns sine die.

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