



HOUSE OF REPRESENTATIVES

From the Desk of
Rep. Kevin L. Mannix

Regarding our Conference Committee Report on HB3242

Dear Colleagues:

I was one of three House members on the Conference Committee. I ask you to vote no on the Committee Report and proposed amended bill. While I will speak on this matter, I will refer to two significant emails which arose yesterday. The full email from our Legislative Counsel and a part of an email from Courtni Dresser, lobbyist for the Oregon Medical Association, are presented on the next page.

HB 3242 creates a new cause of action that permits an insured to recover damages that result from an unfair claim settlement practice that is prohibited by ORS 746.230 (the statute amended in the bill). Under the B-engrossed version of the bill, this new cause of action may not be brought for a settlement practice that is related to workers compensation or medical malpractice insurance. The --B6 amendment by the conference committee now includes medical malpractice insurance claims in the type of insurance that is included in the cause of action. We already have remedies in the law for unfair claims settlement practices under all kinds of insurance. This new cause of action, as to medical malpractice claims, creates many problems which have not been addressed in the short time available to the Conference Committee.

This is a complex issue, which requires careful consideration and should be addressed in legislation during the next session. We are not confronted with any emergency requiring immediate action. So I recommend a no vote.

Sincerely,

Kevin L. Mannix

State Representative, House District 21



From: Johnson Dexter
Sent: Saturday, June 24, 2023 6:41 PM
To: Rep Mannix
Subject: HB 3242

Rep. Mannix,

You asked what effect the --B6 amendments had on HB 3242. HB 3242 creates a new cause of action that permits an insured to recover damages that result from an unfair claim settlement practice that is prohibited by ORS 746.230 (the section amended in the bill). Under the B-engrossed version of the bill, this new cause of action may not be brought for a settlement practice that is related to workers compensation or medical malpractice insurance. The --B6 amendments remove medical malpractice insurance from the kinds of insurance that are exempt from the new cause of action. Thus, the effect of the --B6 amendment is to permit an insured to bring a claim for damages resulting from a medical malpractice settlement practice that is prohibited under ORS 746.230, as amended in the bill.

Dexter

Dexter A. Johnson
Legislative Counsel

From: Courtni Dresser <courtni@theoma.org>
Sent: Saturday, June 24, 2023 3:18 PM
To: Sen Campos; Rep Mannix; Rep Sosa; Rep Holvey; Sen Prozanski; Sen Bonham; Rep Dexter; Rep Reynolds; Sen Steiner
Cc: Bryan Boehringer; Mark Bonanno
Subject: OMA Comments on HB 3242 -B6 Amendment

Good afternoon –

The OMA has been asked to look at issues within HB 3242B. Under very limited time and under very limited access to technical experts, we have concerns with the -B6 amendment under consideration by the Conference Committee.

In its current version, HB 3242 B has no impact on medical malpractice insurance or providers as drafted. The bill creates a new cause of action for property casualty insurers and does not have an impact on any other line of insurance. If HB 3242 B passes, it will maintain the status quo for both medical malpractice carriers and providers.

If HB 3242B is amended to remove the exclusion of medical malpractice, it will create a new private right against medical malpractice carriers for violation of the unfair claims settlement practices act.

Our understanding is that this will cause significant challenges for both providers and insurers as plaintiffs seek higher awards and quicker settlement because medical malpractice carriers will want to avoid the threat of an additional lawsuit over the expanded definition of what constitutes bad faith...

If medical malpractice is added back into HB 3242B, it will increase risk for insurers and result in increases in medical liability rates for providers at a time when they can least afford it...

At this time, we believe that adopting the -B6 could be the wrong path. This is a complex issue and deserves much more time and thought. We hope that we could have more time to have a conversation with better data and more input from experts.

Courtni

Courtni Dresser
Vice President of Government Relations
Oregon Medical Associations