

HOUSE AMENDMENTS TO A-ENGROSSED SENATE BILL 413

By COMMITTEE ON HEALTH CARE

June 3

1 On page 1 of the printed A-engrossed bill, line 5, delete “Section 2” and insert “Sections 2 and
2 3” and delete “is” and insert “are”.

3 Delete lines 6 through 19 and insert:

4 **“SECTION 2. (1) The Department of Consumer and Business Services and the Oregon
5 Health Authority shall jointly develop standards and metrics for evaluating health insurers’
6 cost containment strategies and shall incorporate the standards into the premium rate ap-
7 proval process under ORS 743.018.**

8 **“(2) In evaluating whether to approve a premium rate, the department shall conduct a
9 comprehensive review of the insurer’s cost containment and quality improvement strategies.
10 The comprehensive review shall include, but is not limited to:**

11 **“(a) An evaluation of the insurer’s strategies in key areas in which evidence-based and
12 experience-tested strategies are available; and**

13 **“(b) A determination of whether the insurer’s strategies are feasible, comprehensive and
14 sufficient to contain costs and improve quality.**

15 **“(3) The department and the authority shall also establish a process for jointly expanding
16 or refining the cost containment strategies that may be considered in reviewing a rate filing.**

17 **“(4) In determining whether a proposed premium rate meets the criteria of ORS 743.018,
18 the department shall consider:**

19 **“(a) An insurer’s specific, quantifiable goals for reducing upward trends in medical costs
20 as well as the insurer’s detailed rationale for choosing those particular goals;**

21 **“(b) Whether an insurer met or exceeded the goals for reducing upward trends in medical
22 costs set forth in its previous rate filing for the same category of health plan; and**

23 **“(c) If the insurer’s upward trends in medical costs failed to meet the goals, the insurer’s
24 assessment of the causes of failure and the insurer’s plans to improve cost containment
25 performance in the future.**

26 **“(5) The department and the authority shall regularly report to the appropriate interim
27 committees of the Legislative Assembly on their progress toward implementation of this
28 section and on any recommended legislative changes to improve the review of cost contain-
29 ment strategies in the rate review process.**

30 **“SECTION 3. (1) The Department of Consumer and Business Services shall establish by
31 rule a methodology for projecting anticipated changes in medical costs. Insurers must apply
32 the methodology in calculating proposed premium rates. The methodology shall include:**

33 **“(a) The adoption of a rate of inflation or deflation in medical costs projected from the
34 current year to the year to which a rate filing applies; and**

35 **“(b) Exceptions to the rate of inflation or deflation adopted under paragraph (a) of this**

1 subsection based on special factors including, but not limited to:

2 “(A) Unique characteristics of the policyholders or certificate holders of a health benefit
3 plan; or

4 “(B) Utilization controls used in a health benefit plan that would cause the rate of change
5 in medical costs to vary from a state average.

6 “(2) An insurer is required to use the rate of inflation or deflation established under
7 subsection (1)(a) of this section unless the insurer provides the department with compelling
8 evidence that the insurer qualifies for an exception adopted by the department under sub-
9 section (1)(b) of this section.

10 “(3) The department shall adopt the rate and the methodology described in subsection (1)
11 of this section using a public process. The department shall convene a group that includes
12 actuaries and other relevant experts to advise the department in the adoption of the rate
13 and methodology. All proceedings conducted and documents produced or considered under
14 this section are subject to open meetings and public records laws under ORS 192.410 to
15 192.505 and 192.610 to 192.690.”

16 In line 20, delete “3” and insert “4”.

17 On page 2, after line 5, insert:

18 “(2) Each calendar year, on a date prescribed by the department that is designed to coincide
19 with the rate filing deadline for qualified health plans offered through the health insurance ex-
20 change, an insurer that offers a health benefit plan to an individual or to a small employer shall
21 send a written notice to the policyholders of the individual or small employer health benefit plans
22 that contains:

23 “(a) Information about the rate review process in this state and how to provide public comments
24 and participate in public hearings on rate filings;

25 “(b) The address of the department’s rate review website;

26 “(c) Instructions for how to sign up to receive rate filing notifications through the department’s
27 electronic mailing list; and

28 “(d) Instructions for how to receive rate filing notifications in formats other than the
29 department’s electronic mailing list.

30 “(3) All enrollment forms and renewal notices provided to enrollees in individual or small em-
31 ployer health benefit plans must include, in a prominent manner, information about:

32 “(a) The rate review process in this state;

33 “(b) The rate review website maintained by the department;

34 “(c) Enrollees’ right to participate in the rate review process; and

35 “(d) How to elect to receive rate filing notifications through the department’s electronic mailing
36 list.

37 “(4) Insurers offering individual or small employer health benefit plans shall provide, in a
38 prominent location on the enrollment and renewal forms, an opportunity for enrollees to elect to
39 receive rate filing notifications through the department’s electronic mailing list system. Insurers
40 shall subscribe enrollees who elect to receive rate filing notifications, using the department’s elec-
41 tronic notification system.

42 “(5) All explanations of benefits and all printed marketing materials, newsletters and communi-
43 cations with insurance brokers from an insurer offering individual or small employer health benefit
44 plans must include the information described in subsection (3)(a), (b) and (c) of this section.”

45 In line 6, delete “(2)” and insert “(6)”.

1 In line 10, delete “(3)” and insert “(7)”.

2 In line 16, delete “4” and insert “5”.

3 In line 44, after “expenses” insert “using the methodology for projecting anticipated changes in

4 medical costs adopted by the Department of Consumer and Business Services under section 3 of this

5 2013 Act”.

6 On page 3, line 16, delete “5” and insert “6”.

7 After line 41, insert:

8 **“SECTION 7. Sections 2 and 3 of this 2013 Act apply to premium rate filings for individual**

9 **and small group health benefit plan coverage beginning on or after January 1, 2015.”.**

10 In line 42, delete “6” and insert “8”.

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