Senate Bill 901

Sponsored by COMMITTEE ON HEALTH CARE (at the request of Oregon Association of Hospitals and Health Systems)

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 insurer to reimburse providers directly for medical, surgical and nursing services provided to insured.

A BILL FOR AN ACT

Relating to insurance reimbursement; creating new provisions; amending ORS 743.531; and repealing ORS 743.921.

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

SECTION 1. Section 2 of this 2015 Act is added to and made a part of the Insurance Code.

SECTION 2. (1) As used in this section, "provider" means a person licensed, certified or otherwise authorized or permitted by laws of this state to administer medical or mental health services in the ordinary course of business or practice of a profession.

(2) Except as provided in ORS 743.543 and 743.550, a provider that bills an insurer for covered hospital, nursing, medical or surgical services provided to an individual who is insured under a policy of health insurance issued by the insurer shall be reimbursed by the insurer by a direct payment issued to the provider.

SECTION 3. ORS 743.531 is amended to read:

743.531. [*(1) A group health insurance policy may on request by the group policyholder provide that all or any portion of any indemnities provided by such policy on account of hospital, nursing, medical or surgical services may, at the insurer's option, be paid directly to the hospital or person rendering such services. However, the amount of any such payment shall not exceed the amount of benefit provided by the policy with respect to the service or billing of the provider of aid. The amount of such payments pursuant to one or more assignments shall not exceed the amount of expenses incurred on account of such hospitalization or medical or surgical aid.*]

[*(2) Nothing in this section is intended to authorize an insurer to:*]

[*(a) Furnish or provide directly services of hospitals or physicians and surgeons; or*]

[*(b) Direct, participate in or control the selection of the specific hospital or physician and surgeon from whom the insured secures services or who exercises medical or dental professional judgment.*]

[*(3)*] **(1)** [*Nothing in subsection (2) of this section prevents an insurer from negotiating and entering*] **An insurer may negotiate and enter** into contracts for alternative rates of payment with providers **to provide services covered by a group health insurance policy** and [*offering*] **may offer** the benefit of such alternative rates to insureds who select such providers. An insurer may utilize such contracts by offering a choice of plans at the time an insured enrolls, one of which provides benefits only for services by members of a particular provider organization with whom the insurer has an agreement. If an insured chooses such a plan, benefits are payable only for services

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.

rendered by a member of that provider organization, unless such services were requested by a member of such organization or are rendered as the result of an emergency.

[*(4)*] **(2)** [*Payment so made*] **Benefits paid by an insurer to a provider under subsection (1) of this section** shall discharge the insurer's obligation with respect to the amount of insurance so paid.

[*(5)*] **(3)** Insurers shall provide group policyholders with a current roster of institutional and professional providers under contract to provide services at alternative rates under their group policy and shall also make such lists available for public inspection during regular business hours at the insurer's principal office within this state.

SECTION 4. ORS 743.921 is repealed.

SECTION 5. Section 2 of this 2015 Act and the amendments to ORS 743.531 by section 3 of this 2015 Act apply to reimbursements paid on claims presented on or after July 1, 2016.