SB 249 A STAFF MEASURE SUMMARY

Carrier: Rep. Nosse

House Committee On Health Care

Action Date:	05/14/19
Action:	Do Pass the A-Eng bill.
Vote:	11-0-0-0
Yeas:	11 - Alonso Leon, Boles, Drazan, Greenlick, Hayden, Keny-Guyer, Mitchell, Noble, Nosse, Prusak, Salinas
Fiscal:	No fiscal impact
Revenue:	No revenue impact
Prepared By:	Oliver Droppers, LPRO Analyst
Meeting Dates:	5/9, 5/14

WHAT THE MEASURE DOES:

Prohibits specified unfair claim settlement practices by health insurers making prior authorization determinations. Prohibits health insurers from engaging in pattern or practice of refusing to approve requests for prior authorization of covered items without just cause, as specified. Modifies deadline for insurer to respond to requests for prior authorization to allow for additional information if needed. Modifies definition of "adverse benefit determination" to include whole or partial denial of requests for prior authorization.

ISSUES DISCUSSED:

- Consumer complaints received by Department of Consumer and Business Services about prior authorization
- Clarification of prior authorization process for consumers and insurers
- Limitation to regulated insurers

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Through its Division of Financial Regulation, the Department of Consumer and Business Services (DCBS) is the state's primary regulator of all types of insurance companies, including health insurance companies. In 2015, DCBS regulated health insurers covering approximately 1 million Oregonians in the individual, small group, large group, and associations and trusts markets. An estimated 710,000 Oregonians were covered by self-insured employers, which are regulated by the federal government under the 1974 Employee Retirement Income Security Act (ERISA). Health insurance policies and certificates may include requirements for prior authorization of certain items or services before the insured can receive them.

Senate Bill 249-A prohibits certain conduct by health insurers when reviewing and responding to requests for prior authorization.