Enrolled
House Bill 2564

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Governor Tina Kotek for Department of Consumer and Business Services)

CHAPTER .....

AN ACT

Relating to the insurance rate review process; amending ORS 743.018 and 743.019.

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

SECTION 1. ORS 743.018 is amended to read:

743.018. (1) Except for group life and health insurance, and except as provided in ORS 743.015, every insurer shall file with the Director of the Department of Consumer and Business Services all schedules and tables of premium rates for life and health insurance to be used on risks in this state, and shall file any amendments to or corrections of such schedules and tables. Premium rates are subject to approval, disapproval or withdrawal of approval by the director as provided in ORS 742.003, 742.005, 742.007 and, for health benefit plans as defined in ORS 743B.005, ORS 743.019.

(2) Except as provided in ORS 743B.013 and subsection (3) of this section, a rate filing by a carrier for any of the following health benefit plans subject to ORS 743.004, 743.022, 743.535 and 743B.003 to 743B.127 shall be available for public inspection immediately upon submission of the filing to the director:

(a) Health benefit plans for small employers.

(b) Individual health benefit plans.

(3) The director may by rule:

(a) Specify all information a carrier must submit as part of a rate filing under this section; [*and*]

(b) Specify the form and manner of a consumer-friendly summary document to be submitted as part of a rate filing under this section; and

[*(b)*] **(c)** Identify the information submitted that will be exempt from disclosure under this section because the information constitutes a trade secret and would, if disclosed, harm competition.

(4) The director, after conducting an actuarial review of the rate filing, may approve a proposed premium rate for a health benefit plan for small employers or for an individual health benefit plan if, in the director's discretion, the proposed rates are:

(a) Actuarially sound;

(b) Reasonable and not excessive, inadequate or unfairly discriminatory; and

(c) Based upon reasonable administrative expenses.

(5) In order to determine whether the proposed premium rates for a health benefit plan for small employers or for an individual health benefit plan are reasonable and not excessive, inadequate or unfairly discriminatory, the director may consider:

(a) The insurer's financial position, including but not limited to profitability, surplus, reserves and investment savings.

(b) Historical and projected administrative costs and medical and hospital expenses, including expenses for drugs reported under ORS 743.025.

(c) Historical and projected loss ratio between the amounts spent on medical services and earned premiums.

(d) Any anticipated change in the number of enrollees if the proposed premium rate is approved.

(e) Changes to covered benefits or health benefit plan design.

(f) Changes in the insurer's health care cost containment and quality improvement efforts since the insurer's last rate filing for the same category of health benefit plan.

(g) Whether the proposed change in the premium rate is necessary to maintain the insurer's solvency or to maintain rate stability and prevent excessive rate increases in the future.

(h) Any public comments received under ORS 743.019 pertaining to the standards set forth in subsection (4) of this section and this subsection.

(6) The director shall require insurers to charge the same premium for a plan sold through the health insurance exchange as the insurer charges for the identical plan sold outside of the exchange.

(7) The requirements of this section do not supersede other provisions of law that require insurers, health care service contractors or multiple employer welfare arrangements providing health insurance to file schedules or tables of premium rates or proposed premium rates with the director or to seek the director's approval of rates or changes to rates.

SECTION 2. ORS 743.019 is amended to read:

743.019. (1) When an insurer files a schedule or table of premium rates for individual or small employer health benefit plans under ORS 743.018, the Department of Consumer and Business Services shall open a 30-day public comment period on the rate filing that begins on the date the insurer files the schedule or table of premium rates. The department shall post all of the comments received to the department's website without delay.

(2) After the close of the public comment period described in subsection (1) of this section, the department shall issue a [*preliminary decision*] **proposed order** to approve, disapprove or modify a rate filing. The department shall notify the insurer of, and make available to the public, the [*preliminary decision*] **proposed order**, including:

(a) An explanation of the findings and rationale that are the basis for the [*preliminary decision*] **proposed order**; and

(b) Any actuarial or other analyses, calculations or evaluations relied upon by the department in arriving at the [*preliminary decision*] **proposed order**.

(3) The department shall provide the insurer or any person adversely affected or aggrieved by the [*preliminary decision*] **proposed order** the opportunity to meet with the department to discuss and respond to the [*preliminary decision*] **proposed order**. However, an insurer or other person may not substitute new facts or data for the facts or data submitted by the insurer in the filing. The meeting shall:

(a) Include a department employee who reviewed the rate filing; and

(b) Comply with the requirements of ORS 192.610 to 192.705.

(4)(a) The department shall issue a [*proposed*] **final** order, no later than 30 days after the department issues a [*preliminary decision*] **proposed order** under subsection (2) of this section, to approve, disapprove or modify the rate filing based on the [*information submitted during the public comment period*] **meeting held under subsection (3) of this section**.

(b) In issuing the [*proposed*] **final** order, the department may not consider new facts or data that are offered as a substitute for the facts or data submitted by the insurer in the filing.

(c) The department shall mail the [*proposed*] **final** order to the insurer and post the [*proposed*] **final** order to the department's website.

(d) The [*proposed*] **final** order must include:

(A) An explanation of the findings and rationale that are the basis for the [*proposed*] **final** order, including any actuarial or other analyses, calculations or evaluations relied upon by the department in its findings or rationale; and

(B) Notice of the right of the insurer or any person adversely affected or aggrieved by the [*proposed*] **final** order to [*request a review by*] **petition** the Director of the Department of Consumer and Business Services **for reconsideration**, in accordance with subsection [*(6)*] **(5)** of this section, no later than 10 days after the date that the [*proposed*] **final** order was issued.

[*(5) If the insurer or person adversely affected or aggrieved by the proposed order does not timely request a review of the proposed order by the director, the director shall issue a final order as described in subsection (6)(d) of this section.*]

[*(6)*] **(5)** If the insurer or a person adversely affected or aggrieved by the [*proposed*] **final** order timely [*requests a review by the director of the proposed*] **petitions the director to reconsider the final** order:

(a) The requester may not substitute new facts or data for the facts and data that were submitted by the insurer in the filing, but may provide a brief, memorandum or analysis based on the evidence contained in the filing or received and considered by the department during the public comment period;

(b) The director may not delegate the decision-making authority for the request for review to any other individual;

(c) The director shall issue a final order **upon reconsideration** no later than 30 days after the [*request for review*] **petition for reconsideration** is received by the director; and

(d) The final order **upon reconsideration** shall [*include*]:

(A) **Include** an explanation of the findings and rationale that are the basis for the final order; and

(B) [*Notice of the right to a contested case hearing in accordance with ORS chapter 183*] **Be mailed to the insurer and posted on the department's website**.

[*(7)(a)*] **(6)(a)** If, following the issuance of a final order **or final order upon reconsideration** under subsection [*(6)(c)*] **(4) or (5)** of this section but before the effective date of the premium rates approved by the final order, an event occurs that materially affects the director's decision to approve the rates, the director may open a new public comment period for a period of time that the director determines is necessary to receive comments concerning the event. Based upon the event and the public comments received, the director shall affirm the final order **or final order upon reconsideration** by providing a written explanation of the basis for affirming the final order **or final order upon reconsideration** or issue a new proposed order, as described in subsection [*(4)*] **(2)** of this section.

(b) In the consideration of public comments or the event described in paragraph (a) of this subsection or in issuing any new proposed order, the director:

(A) May not consider new facts or data that are offered as a substitute for the facts or data submitted by the insurer in the original filing.

(B) May consider supplemental facts or data reasonably related to the event described in paragraph (a) of this subsection.

(7) A final order or final order upon reconsideration issued pursuant to this section is subject to review under ORS 183.484.

(8) Subsections (2) to [*(7)*] **(6)** of this section do not require the department to perform any actuarial or other analyses, calculations or evaluations.

(9) The department may adopt rules modifying the procedures described in subsections (2) to [*(7)*] **(6)** of this section, but only to the extent necessary to comply with 42 U.S.C. 300gg-94.

Passed by House March 25, 2025

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Julie Fahey, Speaker of House

Passed by Senate May 13, 2025

.....
Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

.....
Tobias Read, Secretary of State