

House Bill 3517

Sponsored by Representative TRAN

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act tells some health insurers, OHP, PEBB and OEBC to cover some treatments for the chronic disease of obesity. (Flesch Readability Score: 63.8).

Requires a policy or certificate of health insurance or health care services contract offered by a health care service contractor in this state, state medical assistance and health benefit plans offered by the Public Employees' Benefit Board and the Oregon Educators Benefit Board to cover certain treatments for an obesity diagnosis with certain requirements.

A BILL FOR AN ACT

1
2 Relating to obesity treatments; creating new provisions; and amending ORS 243.144, 243.877, 414.761,
3 750.055 and 750.333.

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

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. (1) As used in this section:**

7 (a) **"Intensive health behavior and lifestyle treatment" means any evidence-based,**
8 **multicomponent behavioral or lifestyle modification intervention that supports healthy**
9 **weight management.**

10 (b) **"Metabolic and bariatric surgery" means any surgical intervention included in the**
11 **current version of the American Society for Metabolic and Bariatric Surgery and Interna-**
12 **tional Federation for the Surgery of Obesity and Metabolic Disorders Guidelines on Indi-**
13 **cations for Metabolic and Bariatric Surgery.**

14 (c) **"Obesity medication" means any medication approved by the United States Food and**
15 **Drug Administration with an indication for chronic weight management in patients with an**
16 **obesity diagnosis.**

17 (2) **A policy or certificate of health insurance or a health care services contract offered**
18 **by a health care service contractor in this state that reimburses the cost of bariatric surgery**
19 **and nutrition counseling must include coverage for the diagnosis and treatment of the**
20 **chronic disease of obesity, including, but not limited to:**

21 (a) **Intensive health behavioral and lifestyle treatment;**

22 (b) **Metabolic and bariatric surgery; and**

23 (c) **Obesity medication that is not more restrictive than the United States Food and Drug**
24 **Administration approved indications for those treatments.**

25 (3) **The coverage required by subsection (2) of this section may be made subject to, and**
26 **no more restrictive than, the provisions of a health insurance policy that apply to other**
27 **benefits under the policy including utilization review as described in ORS 743B.001.**

28 (4) **Intensive health behavioral and lifestyle treatment may include interventions certified**

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.

1 or recognized by the Centers for Disease Control and Prevention or recommended by current
2 clinical standards of care. The services shall be provided in the manner best able to support
3 patient access and needs, including in office, in community-based settings or through tele-
4 medicine as described in ORS 743A.058.

5 (5) This section is exempt from ORS 743A.001.

6 **SECTION 3.** ORS 414.761 is amended to read:

7 414.761. Notwithstanding ORS 414.065 and 414.690, a coordinated care organization and the
8 Oregon Health Authority shall provide to medical assistance recipients:

9 (1) Who are 18 years of age or younger the devices and services described in ORS 743A.140 and
10 743A.141[.]; and

11 (2) Services described in section 2 of this 2025 Act.

12 **SECTION 4.** ORS 750.055, as amended by section 3, chapter 24, Oregon Laws 2024, section 4,
13 chapter 35, Oregon Laws 2024, section 21, chapter 70, Oregon Laws 2024, and section 162, chapter
14 73, Oregon Laws 2024, is amended to read:

15 750.055. (1) The following provisions apply to health care service contractors to the extent not
16 inconsistent with the express provisions of ORS 750.005 to 750.095:

17 (a) ORS 705.137, 705.138 and 705.139.

18 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386, 731.390, 731.398
19 to 731.430, 731.428, 731.450, 731.454, 731.485, as provided in subsection (2) of this section, ORS
20 731.488, 731.504, 731.508, 731.509, 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652,
21 731.730, 731.731, 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

22 (c) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.596, not
23 including ORS 732.582, and ORS 732.650 to 732.689.

24 (d) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
25 to 733.780.

26 (e) ORS 734.014 to 734.440.

27 (f) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to 742.162 and 742.518 to
28 742.542.

29 (g) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.020, 743.022, 743.023, 743.025,
30 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to 743.109, 743.402, 743.405, 743.406,
31 743.417, 743.472, 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650
32 to 743.656, 743.680 to 743.689, 743.788 and 743.790.

33 (h) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036, 743A.040, 743A.044,
34 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
35 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
36 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.169,
37 743A.170, 743A.175, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252, 743A.260, 743A.310
38 and 743A.315 and section 2, chapter 771, Oregon Laws 2013, and section 2, chapter 70, Oregon Laws
39 2024, and section 2 of this 2025 Act.

40 (i) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195, 743B.197, 743B.200,
41 743B.202, 743B.204, 743B.220, 743B.221, 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253,
42 743B.254, 743B.255, 743B.256, 743B.257, 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310,
43 743B.320, 743B.323, 743B.330, 743B.340, 743B.341, 743B.342, 743B.343 to 743B.347, 743B.400, 743B.403,
44 743B.407, 743B.420, 743B.423, 743B.450, 743B.451, 743B.452, 743B.453, 743B.470, 743B.475, 743B.505,
45 743B.550, 743B.555, 743B.601, 743B.602 and 743B.800 and section 2, chapter 24, Oregon Laws 2024,

1 and section 2, chapter 35, Oregon Laws 2024.

2 (j) The following provisions of ORS chapter 744:

3 (A) ORS 744.052 to 744.089, 744.091 and 744.093, relating to the regulation of insurance produc-
4 ers;

5 (B) ORS 744.602 to 744.665, relating to the regulation of insurance consultants; and

6 (C) ORS 744.700 to 744.740, relating to the regulation of third party administrators.

7 (k) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
8 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

9 (2) The following provisions of the Insurance Code apply to health care service contractors ex-
10 cept in the case of group practice health maintenance organizations that are federally qualified
11 pursuant to Title XIII of the Public Health Service Act:

12 (a) ORS 731.485, if the group practice health maintenance organization wholly owns and oper-
13 ates an in-house drug outlet.

14 (b) ORS 743A.024, unless the patient is referred by a physician, physician associate or nurse
15 practitioner associated with a group practice health maintenance organization.

16 (3) For the purposes of this section, health care service contractors are insurers.

17 (4) Any for-profit health care service contractor organized under the laws of any other state that
18 is not governed by the insurance laws of the other state is subject to all requirements of ORS
19 chapter 732.

20 (5)(a) A health care service contractor is a domestic insurance company for the purpose of de-
21 termining whether the health care service contractor is a debtor, as defined in 11 U.S.C. 109.

22 (b) A health care service contractor's classification as a domestic insurance company under
23 paragraph (a) of this subsection does not subject the health care service contractor to ORS 734.510
24 to 734.710.

25 (6) The Director of the Department of Consumer and Business Services may, after notice and
26 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
27 and 750.045 that are necessary for the proper administration of these provisions.

28 **SECTION 5.** ORS 750.055, as amended by section 21, chapter 771, Oregon Laws 2013, section
29 7, chapter 25, Oregon Laws 2014, section 82, chapter 45, Oregon Laws 2014, section 9, chapter 59,
30 Oregon Laws 2015, section 7, chapter 100, Oregon Laws 2015, section 7, chapter 224, Oregon Laws
31 2015, section 11, chapter 362, Oregon Laws 2015, section 10, chapter 470, Oregon Laws 2015, section
32 30, chapter 515, Oregon Laws 2015, section 10, chapter 206, Oregon Laws 2017, section 6, chapter
33 417, Oregon Laws 2017, section 22, chapter 479, Oregon Laws 2017, section 10, chapter 7, Oregon
34 Laws 2018, section 69, chapter 13, Oregon Laws 2019, section 38, chapter 151, Oregon Laws 2019,
35 section 5, chapter 441, Oregon Laws 2019, section 85, chapter 97, Oregon Laws 2021, section 12,
36 chapter 37, Oregon Laws 2022, section 5, chapter 111, Oregon Laws 2023, section 2, chapter 152,
37 Oregon Laws 2023, section 4, chapter 24, Oregon Laws 2024, section 5, chapter 35, Oregon Laws
38 2024, section 22, chapter 70, Oregon Laws 2024, and section 163, chapter 73, Oregon Laws 2024, is
39 amended to read:

40 750.055. (1) The following provisions apply to health care service contractors to the extent not
41 inconsistent with the express provisions of ORS 750.005 to 750.095:

42 (a) ORS 705.137, 705.138 and 705.139.

43 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385, 731.386, 731.390, 731.398
44 to 731.430, 731.428, 731.450, 731.454, 731.485, as provided in subsection (2) of this section, ORS
45 731.488, 731.504, 731.508, 731.509, 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652,

1 731.730, 731.731, 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

2 (c) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and 732.517 to 732.596, not
3 including ORS 732.582, and ORS 732.650 to 732.689.

4 (d) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695
5 to 733.780.

6 (e) ORS 734.014 to 734.440.

7 (f) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to 742.162 and 742.518 to
8 742.542.

9 (g) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.020, 743.022, 743.023, 743.025,
10 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to 743.109, 743.402, 743.405, 743.406,
11 743.417, 743.472, 743.492, 743.495, 743.498, 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650
12 to 743.656, 743.680 to 743.689, 743.788 and 743.790.

13 (h) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036, 743A.040, 743A.044,
14 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
15 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
16 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.169,
17 743A.170, 743A.175, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252, 743A.260, 743A.310
18 and 743A.315 and section 2, chapter 70, Oregon Laws 2024, **and section 2 of this 2025 Act.**

19 (i) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195, 743B.197, 743B.200,
20 743B.202, 743B.204, 743B.220, 743B.221, 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253,
21 743B.254, 743B.255, 743B.256, 743B.257, 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310,
22 743B.320, 743B.323, 743B.330, 743B.340, 743B.341, 743B.342, 743B.343 to 743B.347, 743B.400, 743B.403,
23 743B.407, 743B.420, 743B.423, 743B.450, 743B.451, 743B.452, 743B.453, 743B.470, 743B.475, 743B.505,
24 743B.550, 743B.555, 743B.601, 743B.602 and 743B.800 and section 2, chapter 24, Oregon Laws 2024,
25 and section 2, chapter 35, Oregon Laws 2024.

26 (j) The following provisions of ORS chapter 744:

27 (A) ORS 744.052 to 744.089, 744.091 and 744.093, relating to the regulation of insurance produc-
28 ers;

29 (B) ORS 744.602 to 744.665, relating to the regulation of insurance consultants; and

30 (C) ORS 744.700 to 744.740, relating to the regulation of third party administrators.

31 (k) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605, 746.607, 746.608, 746.610,
32 746.615, 746.625, 746.635, 746.650, 746.655, 746.660, 746.668, 746.670, 746.675, 746.680 and 746.690.

33 (2) The following provisions of the Insurance Code apply to health care service contractors ex-
34 cept in the case of group practice health maintenance organizations that are federally qualified
35 pursuant to Title XIII of the Public Health Service Act:

36 (a) ORS 731.485, if the group practice health maintenance organization wholly owns and oper-
37 ates an in-house drug outlet.

38 (b) ORS 743A.024, unless the patient is referred by a physician, physician associate or nurse
39 practitioner associated with a group practice health maintenance organization.

40 (3) For the purposes of this section, health care service contractors are insurers.

41 (4) Any for-profit health care service contractor organized under the laws of any other state that
42 is not governed by the insurance laws of the other state is subject to all requirements of ORS
43 chapter 732.

44 (5)(a) A health care service contractor is a domestic insurance company for the purpose of de-
45 termining whether the health care service contractor is a debtor, as defined in 11 U.S.C. 109.

1 (b) A health care service contractor's classification as a domestic insurance company under
2 paragraph (a) of this subsection does not subject the health care service contractor to ORS 734.510
3 to 734.710.

4 (6) The Director of the Department of Consumer and Business Services may, after notice and
5 hearing, adopt reasonable rules not inconsistent with this section and ORS 750.003, 750.005, 750.025
6 and 750.045 that are necessary for the proper administration of these provisions.

7 **SECTION 6.** ORS 750.333, as amended by section 5, chapter 24, Oregon Laws 2024, and section
8 23, chapter 70, Oregon Laws 2024, is amended to read:

9 750.333. (1) The following provisions apply to trusts carrying out a multiple employer welfare
10 arrangement:

11 (a) ORS 705.137, 705.138 and 705.139.

12 (b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316, 731.324, 731.328,
13 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414, 731.418 to 731.434, 731.454, 731.484,
14 731.486, 731.488, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804, 731.808 and 731.844 to
15 731.992.

16 (c) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.695 to 733.780.

17 (d) ORS 734.014 to 734.440.

18 (e) ORS 742.001 to 742.009, 742.013, 742.016, 742.061 and 742.065.

19 (f) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.020, 743.023, 743.028, 743.029,
20 743.053, 743.405, 743.406, 743.524, 743.526, 743.535 and 743B.221.

21 (g) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.024, 743A.034, 743A.036, 743A.040,
22 743A.048, 743A.051, 743A.052, 743A.058, 743A.060, 743A.062, 743A.063, 743A.064, 743A.065, 743A.066,
23 743A.068, 743A.070, 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104, 743A.105,
24 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148, 743A.150, 743A.160, 743A.168, 743A.169,
25 743A.170, 743A.175, 743A.180, 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252, 743A.260
26 and 743A.310 and section 2, chapter 70, Oregon Laws 2024, **and section 2 of this 2025 Act.**

27 (h) ORS 743B.001, 743B.003 to 743B.127 (except 743B.125 to 743B.127), 743B.195, 743B.197,
28 743B.200, 743B.202, 743B.204, 743B.220, 743B.222, 743B.225, 743B.227, 743B.250, 743B.252, 743B.253,
29 743B.254, 743B.255, 743B.256, 743B.257, 743B.258, 743B.310, 743B.320, 743B.321, 743B.330, 743B.340,
30 743B.341, 743B.342, 743B.343, 743B.344, 743B.345, 743B.347, 743B.400, 743B.403, 743B.407, 743B.420,
31 743B.423, 743B.451, 743B.453, 743B.470, 743B.505, 743B.550, 743B.555 and 743B.601 and section 2,
32 chapter 24, Oregon Laws 2024.

33 (i) The following provisions of ORS chapter 744:

34 (A) ORS 744.052 to 744.089, 744.091 and 744.093, relating to the regulation of insurance produc-
35 ers;

36 (B) ORS 744.602 to 744.665, relating to the regulation of insurance consultants; and

37 (C) ORS 744.700 to 744.740, relating to the regulation of third party administrators.

38 (j) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

39 (2) For the purposes of this section:

40 (a) A trust carrying out a multiple employer welfare arrangement is an insurer.

41 (b) References to certificates of authority are references to certificates of multiple employer
42 welfare arrangement.

43 (c) Contributions are premiums.

44 (3) The provision of health benefits under ORS 750.301 to 750.341 is the transaction of health
45 insurance.

1 (4) The Department of Consumer and Business Services may adopt rules that are necessary to
2 implement the provisions of ORS 750.301 to 750.341.

3 **SECTION 7.** ORS 243.144, as amended by section 9, chapter 17, Oregon Laws 2024, is amended
4 to read:

5 243.144. Benefit plans offered by the Public Employees' Benefit Board that reimburse the cost
6 of medical and other health services and supplies must comply with the requirements for health
7 benefit plan coverage described in:

- 8 (1) ORS 743A.058;
- 9 (2) ORS 743A.140;
- 10 (3) ORS 743A.141;
- 11 (4) ORS 743B.256;
- 12 (5) ORS 743B.287 (4);
- 13 (6) ORS 743B.420;
- 14 (7) ORS 743B.423;
- 15 (8) ORS 743B.601;
- 16 (9) ORS 743B.810;
- 17 (10) ORS 743A.325; *[and]*
- 18 (11) ORS 743A.051 (2)(c); **and**
- 19 **(12) Section 2 of this 2025 Act.**

20 **SECTION 8.** ORS 243.144, as amended by sections 9 and 10, chapter 17, Oregon Laws 2024, is
21 amended to read:

22 243.144. Benefit plans offered by the Public Employees' Benefit Board that reimburse the cost
23 of medical and other health services and supplies must comply with the requirements for health
24 benefit plan coverage described in:

- 25 (1) ORS 743A.058;
- 26 (2) ORS 743A.140;
- 27 (3) ORS 743A.141;
- 28 (4) ORS 743B.256;
- 29 (5) ORS 743B.287 (4);
- 30 (6) ORS 743B.420;
- 31 (7) ORS 743B.423;
- 32 (8) ORS 743B.601;
- 33 (9) ORS 743B.810; *[and]*
- 34 (10) ORS 743A.325; **and**
- 35 **(11) Section 2 of this 2025 Act.**

36 **SECTION 9.** ORS 243.877, as amended by section 11, chapter 17, Oregon Laws 2024, is amended
37 to read:

38 243.877. Benefit plans offered by the Oregon Educators Benefit Board that reimburse the cost
39 of medical and other health services and supplies must comply with the requirements for health
40 benefit plan coverage described in:

- 41 (1) ORS 743A.058;
- 42 (2) ORS 743A.140;
- 43 (3) ORS 743A.141;
- 44 (4) ORS 743B.256;
- 45 (5) ORS 743B.287 (4);

- 1 (6) ORS 743B.420;
- 2 (7) ORS 743B.423;
- 3 (8) ORS 743B.601;
- 4 (9) ORS 743B.810;
- 5 (10) ORS 743A.325; *[and]*
- 6 (11) ORS 743A.051 (2)(c); **and**
- 7 **(12) Section 2 of this 2025 Act.**

8 **SECTION 10.** ORS 243.877, as amended by sections 11 and 12, chapter 17, Oregon Laws 2024,
9 is amended to read:

10 243.877. Benefit plans offered by the Oregon Educators Benefit Board that reimburse the cost
11 of medical and other health services and supplies must comply with the requirements for health
12 benefit plan coverage described in:

- 13 (1) ORS 743A.058;
- 14 (2) ORS 743A.140;
- 15 (3) ORS 743A.141;
- 16 (4) ORS 743B.256;
- 17 (5) ORS 743B.287 (4);
- 18 (6) ORS 743B.420;
- 19 (7) ORS 743B.423;
- 20 (8) ORS 743B.601;
- 21 (9) ORS 743B.810; *[and]*
- 22 (10) ORS 743A.325; **and**
- 23 **(11) Section 2 of this 2025 Act.**

24 **SECTION 11.** **Section 2 of this 2025 Act and the amendments to ORS 750.055 and 750.333**
25 **by sections 4 to 6 of this 2025 Act apply to policies or certificates of health insurance and**
26 **health care services contracts offered, renewed or extended on or after January 1, 2027.**

27 **SECTION 12.** **The amendments to ORS 414.761 by section 3 of this 2025 Act apply to**
28 **medical assistance provided and contracts with coordinated care organizations for periods**
29 **beginning on or after January 1, 2027.**

30 **SECTION 13.** **The amendments to ORS 243.144 and 243.877 by sections 7 to 10 of this 2025**
31 **Act apply to health benefit plans offered by the Public Employees' Benefit Board or the**
32 **Oregon Educators Benefit Board that are issued, renewed or extended on or after January**
33 **1, 2026.**

34