

House Bill 2118

Sponsored by Representative GREENLICK (Pre-session filed.)

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 Department of Consumer and Business Services to determine official rate of medical care inflation to be used by insurers in calculating premium rates.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to inflation in costs of medical care; and declaring an emergency.

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

4 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of the Insurance Code.**

5 **SECTION 2. (1) The Department of Consumer and Business Services shall establish by**
6 **rule a methodology for projecting the inflation in medical costs anticipated from one calendar**
7 **year to the next calendar year.**

8 **(2) Using the department's actuaries and under the guidance of an advisory committee**
9 **of actuaries appointed by the department and other experts that the department deems**
10 **necessary, the department shall determine and publish a proposed rate of medical care in-**
11 **flation. The department shall hold a public hearing to solicit data and views from the public**
12 **on the proposed rate. The public hearing, meetings of the advisory committee and all docu-**
13 **ments used, produced or considered by the department in calculating the proposed rate are**
14 **subject to the public records law under ORS 192.410 to 192.505 and the open meetings law**
15 **under ORS 192.610 to 192.690.**

16 **(3) After concluding the public hearing and considering the data and views presented by**
17 **the public, the department, no later than March 1 of each year, shall publish an official rate**
18 **of medical care inflation for the next calendar year.**

19 **(4) An insurer must use the official rate of medical care inflation established under sub-**
20 **section (3) of this section in calculating the insurer's premium rates that are filed in ac-**
21 **cordance with ORS 743.018, unless the department determines, based upon compelling**
22 **evidence presented by the insurer, that special factors cause the rate of medical care in-**
23 **flation in a health benefit plan to vary from the official rate. Special factors include but are**
24 **not limited to the following:**

25 **(a) The unique characteristics of the enrollees in the health benefit plan that the insurer**
26 **is permitted to take into account in calculating premium rates; or**

27 **(b) The utilization controls used in the health benefit plan.**

28 **(5) Members of the advisory committee of actuaries and other experts used by the de-**
29 **partment in determining the proposed and the official rate of medical care inflation under**
30 **this section who are not state employees are entitled to compensation and expenses incurred**
31 **in the performance of their official duties in the manner and amounts provided for in ORS**

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 **292.495. Claims for compensation and expenses shall be paid out of the Consumer and Busi-**
2 **ness Services Fund.**

3 **SECTION 3. This 2017 Act being necessary for the immediate preservation of the public**
4 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**
5 **on its passage.**

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