

Oregon

Oregon Insurance Commission
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Summary of Important Regulations

MEWA Regulations	Yes
TPA Regulations	Yes
Stop-Loss Regulations	Yes
UR Regulations	Yes

NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	Or. Admin. R. 836-031-0200 to 836-031-0300	Or. Rev. Stat. § 733.080
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	None	Or. Admin. R. 836-50-110
Small Employer Health Insurance. Availability Model Law	None	Or. Rev. Stat. §§ 743.730 to 743.773
Model Regulation To Eliminate Unfair Sex Discrimination	None	Or. Admin. R. §§ 836-80-050 to 836-80-060
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	Or. Rev. Stat. § 743.531
Utilization Review Model Law	None	Or. Rev. Stat. §§ 743.806 to 743.807; Or. Admin. R. §§ 836-053-1130 to 836-053-1140
Managed Care Plan Network Adequacy Model Law	None	Or. Admin. R. 836-053-1190
Third Party Administrator Law	None	Or. Rev. Stat. §§ 744.700 to 744.740; Or. Admin. R. 836- -75-0000 to 836-75-0070

Stop-loss Insurance Model Law

None

Or. Rev. Stat. § 742.065

NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	None
Standard Group Health Model Law	None	Or. Rev. Stat. §§ 743.522 to 743.555
Group Health Insurance Mandatory Conversion Law	Or. Rev. Stat. §§ 743.611 to 743.622	None
Group Coverage Discontinuance/ Replacement Model Regulation	Or. Admin. R. 836-82-050 to 836-82-055	None
Premium Rates and Renewability of Coverage-Small Groups	None	Or. Rev. Stat. §§ 743.730 to 743.745
Group Coordination of Benefits Model Law	Or. Admin. R. §§ 836-20-700 to 836-20-765	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	Or. Rev. Stat. §§ 743.695 to 743.697
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Or. Rev. Stat. § 743.556; § 743.412
Model Newborn Children's Law	Or. Rev. Stat. § 743.120	None

Health Examination Benefits Availability Law	None	None
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NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	Or. Rev. Stat. §§ 743.010
Agents and Brokers Licensing Model Law	None	Or. Rev. Stat. §§ 744.005 to 744.665
MEWA Licensing Model Law	None	None
Managing General Agents Law	Or. Rev. Stat. §§ 744.300 to 744.314	Or. Admin. R. 836-71-117, 836-71-315 to 836-71-320
Health Maintenance Organization Model Law	None	Or. Rev. Stat. §§ 750.003 to 750.075
Insurance Information and Privacy Protection Law	Or. Rev. Stat. §§ 746.600 to 746.690	None
Unfair Trade Practices Law	None	Or. Rev. Stat. §§ 746.005 to 746.270
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	Or. Rev. Stat. § 746.015
Model Regulation on Unfair Discrimination in Life and Health	Or. Admin. R. 836-81-020 to 836-81-030	Or. Rev. Stat. § 746.015

Insurance on the Basics of
Total or Partial Blindness

NAIC Model Laws and Regulation

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Or. Rev. Stat. § 746.015
Unfair Claims Settlement Practices Law	Or. Rev. Stat. § 746.230	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	None
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	Or. Admin. R. §§ 440-25-000 to 440-25-260

State-Mandates

Benefits That Must Be Covered

- Alcoholism treatment
- Breast reconstruction
- Cervical cancer screening
- Diabetic supplies, education
- Drug abuse treatment
- Emergency services
- Mammography screening
- Maternity care
- Mental health, general
- Minimum maternity stays

Benefits That Must Be Offered

None

Persons Who Must Be Allowed Coverage

- Adopted children
- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Newborns
- Non-custodial children

Providers Who Must Be Covered

- Acupuncturists
- Dentists
- Nurse Practitioners
- Optometrists
- Psychologists
- Social Workers

Coordination of Benefits

- Birthday Rule? Yes
- Divorced/Separated Rule? Yes

- Joint Custody Rule? No
- Active v. Inactive Rule? Yes
- Longer v. Shorter Rule? Yes
- Managed Care Rule? No
- COBRA Rule? No
- Preservation Rule? Yes

Patient's Bill of Rights Legislation

None

High Risk Health Pool

Yes – capped at 125%

External Grievance System

Yes – all health plans

Basis of Filing Grievance

Any reason

Status of Decision of Grievance Panel

Binding on both sides

Prompt Payment of Health Claim Requirement

Yes - 30 days

Miscellaneous

- Diabetes self-management education programs.
- Maxillofacial prosthetic services considered necessary for adjunctive treatment.
- Tourette Syndrome on the basis of the diagnosis and treatment modality employed.

Moreover, group health insurance policies must offer the same payments for maternity to unmarried women that it provides to married women, including the wives of insured persons choosing family coverage.

MEWA Regulation

Oregon gives authority to the Insurance Commission to regulate MEWAs.¹ The definition for MEWAs incorporates the definition in ERISA § 3(40). Oregon considers corporate conglomerates not under common control, union-management plans containing employees outside the collective bargaining agreement, and fully insured multiple employer plans to be subject to state regulation.

Oregon allows MEWAs to be self-funded. However, if a MEWA is self-funded to any extent, it must qualify for, and be issued, a certificate of authority like any other insurer. The Oregon regulatory framework requires entities not fully insured to obey all Oregon insurance laws.

To obtain an Oregon MEWA license, these items must be provided to the Oregon Insurance Commissioner:

- Name, address, telephone number, etc.

- Oregon agent for legal service of process.
- If a foreign MEWA, and under the jurisdiction of a state insurance regulator, a certificate of good standing from domiciliary state and a certified copy of the most recent report of examination. If not regulated by state of domicile, such fact should be so indicated.
- Kind(s) of business to be transacted.
- Copies of all articles, bylaws, agreements, and other documents or instruments describing the rights and obligations of employers, employees, and beneficiaries with respect to the applicant.
- A copy of the trust agreement of the MEWA.
- Current financial statement of the MEWA on the basis of statutory accounting principles as prescribed in ORE. REV. STAT. ch.733.
- A statement showing in full detail the plan for offering health care benefits through the MEWA. The plan must show that the association or group of employers and the trust meet statutory requirements and must show the procedure established for handling claims for benefits in the event of dissolution of the MEWA.
- Copies of all contracts including applications, riders, and endorsements or other instruments proposed to be made, offered or sold through the MEWA to its member employers, together with a copy of its plan description and the proposed printed matter to be used in the solicitation of member employers.
- Evidence that the MEWA has applications from five or more employers meeting the statutory requirements and will provide similar benefits for 200 or more participating employees.
- An opinion of a qualified actuary as proof of adequate reserves.
- List of securities to be deposited with the State Treasurer. This deposit requirement may be satisfied by filing a surety bond executed by an authorized surety insurer that is not under common ownership, management, or control of, or with, the MEWA. Applicant will be advised on procedures for making actual deposit at completion of Insurance Commission's review.
- If the MEWA has contracted with a third party administrator, copies of all such contracts and arrangements. The copies must be certified by the authorized trustee or trustees as being true, correct, and currently in force.
- A copy of the stop-loss agreement.
- A list of the names, addresses, occupations, and affiliation with the MEWA of the members of the board of trustees vested with the management of the affairs of the MEWA, relating to required covered employee representation.
- Uniform Biographical Affidavit prescribed by the National Association of Insurance Commissioners for each member of the board of trustees and officers of the MEWA.
- If foreign and under the jurisdiction of state insurance regulator, a certificate from the domiciliary supervisory official as to the application and licensing fees and material prohibitions or restrictions that would be imposed upon a like Oregon company in domiciliary state. If not examined by the state of domicile, so state.
- A description of the claims handling procedures and normal processing time; projection of anticipated Oregon premium for each of the next three years; office staffing; marketing and advertising methods.
- The filing fee of \$2,200.

TPA Regulations

Oregon enacted a TPA statute to be effective January 1, 1992.² This statute is basically that promulgated by the NAIC.

- Requires written agreement between insurer and TPA.
- Documents or financial statements by TPA:
 1. Requires biographical and organizational information
 2. Articles of incorporation, partnership agreement, and trust agreements
 3. Annual financial statements of the two most recent plan years
 4. Statement describing business plan
 5. Evidence of fiduciary accounts
 6. Annual report required in Or. Rev. Stat. § 744.738. This is the balance sheet and income statement of TPA for preceding year.
- ERISA exemption. A person exempt from registration shall register annually and certify as to continue eligibility for such exemption.
- No bond requirement
- Out-of-state TPAs are not required to be licensed if not soliciting business in the state or if the group has the lesser of 5% or 100 certificate holders that reside in the state.

Stop-Loss Regulation

Oregon has enacted legislation that places requirements in stop-loss policies, including requiring that any aggregate attachment point or retention not be less than 120% of the expected claims and that any specific attachment point or retention not be less than \$10,000.³ Additionally, the law prohibits an insurer from issuing stop-loss coverage to small employers, defined in the law as employers that employ 3 to 25 employees, the majority of whom are employed within the State of Oregon. The statute is believed to be inapplicable to self-funded plans because of ERISA preemption.

Utilization Review Regulations

Criteria is provided by the statute⁴ only for mental and substance abuse. Regulated by the Department of Insurance.

Miscellaneous

Small Group Reform

An employer with three to 25 employees may subscribe to a basic health care plan, which may be in the form of insurance or a health maintenance organization that need not cover certain *mandated* benefits.⁵ Also, this count must include sole proprietors, partners of a partnership, and independent contractors who are included as participants under any existing health care plan offered by the employer, but does not include employees who work on a temporary or substitute basis, are engaged as independent contractors but are not participants in an

existing plan, or have been employed for fewer than 90 days. Further, a business does not qualify as a *small employer* if (1) the number of its employees exceeded 25 or fell below three on 50% or more of its working days during the preceding year, (2) a majority of its employees worked outside the state, or (3) it has purchased a health benefit plan through the state's insurance pool governing board. Nonetheless, a *small employer* includes affiliated companies and companies which are eligible to file consolidated tax return under state tax law.

Carriers of small employer plans may delay any offer of a basic health care plan to any group already covered under another plan until the start of the group's next regular enrollment period. Once an employer is accepted for such a plan, it is protected from nonrenewal except in regard to such events as nonpayment of premiums, fraud, misrepresentation, misuse of a provider network provision, or the carrier's withdrawal from the small employer market.

The premium charge for a small employer plan may not exceed carrier's average premium charge for that particular geographic area by more than 33%, except in regard to adjustments that reflect the provision of additional benefits not required to be covered by basic health care plans and differences in family size and composition. Also, the carrier may not increase a small employer plan's premium more than once in any 12-month period.

If an employer has only one or two employees and they are unable to purchase a health benefit plan, the employees may purchase medical insurance through the state's Medical Insurance Pool and receive a credit against state income taxes.

MSA Legislation

No action.

State Premium Taxes

Out-of-state commercial insurers pay 2.25%; domestic insurers pay an income tax. Blue Cross and HMOs pay no taxes.

Continuation of Coverage and Conversion of Benefits

Oregon requires group policies to allow continuation of coverage for up to six months for employees, their dependents, and surviving or divorced spouses upon termination of employment or membership in a group health plan. Members must have been covered under the group health plan for the three months prior to the loss of coverage in order to be eligible for continuation coverage.⁶

Insurers must allow covered members the opportunity to convert from group coverage to individual coverage without requiring proof of eligibility if coverage is lost for any reasons except: (a) failure to pay applicable premiums; (b) the individual was ineligible or failed to obtain continuation coverage; or (c) the group policy terminated and was replaced by another group policy for which the individual was eligible within 31 days.⁷ Individuals must apply for coverage and pay the first premium within 31 days of the loss of coverage.

Participant Contributions

All participant contributions collected by an employer from employee or retained from their wages for the purpose of providing medical, hospital care and other related services under a contract are trust funds that must be kept in separate accounts by the employer and promptly paid over to the contractor. The funds may not become part of the employer's assets.

Endnotes

¹ Or. Rev. Stat. §§ 731.026 to 731.7301.

² Or. Rev. Stat. §§ 748.603; 750.055; 836-75-001 *et seq*; 747.714 *et seq*.

³ Or. Rev. Stat. § 745.065.

⁴ Or. Rev. Stat. § 743.556.

⁵ Or. Rev. Stat. §§ 653.705 to 653.991; 316.096; 743.730 to 743.745.

⁶ Or. Rev. Stat. § 743.850.

⁷ Or. Rev. Stat. § 743.601.