

Secretary of State
Certificate and Order for Filing
TEMPORARY ADMINISTRATIVE RULES
A Statement of Need and Justification accompanies this form.

FILED
7-29-16 2:04 PM
ARCHIVES DIVISION
SECRETARY OF STATE

I certify that the attached copies are true, full and correct copies of the TEMPORARY Rule(s) adopted on Upon filing, by the
Department of Consumer and Business Services, Insurance Regulation 836

Agency and Division

Administrative Rules Chapter Number

Karen Winkel

(503) 947-7694

Rules Coordinator

Telephone

350 Winter St. NE, Salem, OR 97301

Address

To become effective 07/29/2016 through 01/24/2017.

RULE CAPTION

Establishes a process for special enrollment periods related to individual health benefit plans.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

836-053-0432

AMEND:

SUSPEND:

Statutory Authority:

ORS 731.244, 734.220, 743B.100, 743B.110, 743B.126, & 743B.285

Other Authority:

47 CFR 155.420

Statutes Implemented:

ORS 731.008, 731.016, 734.220, 743B.100, 743B.110, 743B.125, 743B.126, & 743B.330

RULE SUMMARY

The Department of Consumer and Business Services (DCBS) administer the state's Insurance Code (ORS 731 to 744). One of the department's key regulatory functions is overseeing the financial condition of individual carriers, which includes the ability to pay policyholder claims. ORS chapters 731 and 734 outline the authority and mechanisms for the department to exercise direct insurer oversight, such as supervision and receivership.

Recently, the Department of Consumer and Business Services petitioned the Marion County Circuit Court for receivership of Oregon's Health Co-Op (cooperative), due to the sudden deterioration of the cooperative's financial position. The cooperative was providing health insurance coverage for approximately 20,000 Oregonians. One result of placing the cooperative into receivership is that all plans issued by the cooperative will end on July 31, 2016 leaving 20,000 Oregon consumers facing a short time span to obtain new insurance coverage, and the loss of moneys already paid towards their deductibles and out-of-pocket expenses.

In order for the cooperative's enrollees to maintain continuous health insurance coverage, the department must open a special enrollment period allowing affected enrollees to obtain other, substantially-similar health insurance coverage. While federal regulations implementing the Patient Protection and Affordable Care Act, Pub. L. 111-148, allow states to establish special enrollment periods for exceptional circumstances, Oregon's rules implementing the Insurance Code do not specifically address a special enrollment period for exceptional circumstances such as exist in the cooperative's case. This temporary rule allows the Director to establish a special enrollment period due to a health insurer's insolvency, allowing individuals covered by an insurer in receivership to continue coverage in a plan substantially similar to that offered by the entity in receivership with another insurance carrier. This temporary rule also allows the Director to require any insurer that

acquires policyholders from an insurer in receivership during the special enrollment period to carry over accumulators for deductibles and annual limitations on cost sharing.

Karen Winkel

karen.j.winkel@oregon.gov

Rules Coordinator Name

Email Address