



**NOTICE OF PROPOSED RULEMAKING**  
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 836  
**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
**INSURANCE REGULATION**

**FILED**

09/25/2025 9:54 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: List of Prosthetic and Orthotic Devices under Oregon SB 699 (2025)

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 10/29/2025 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

CONTACT: Karen Winkel  
503-947-7694  
dfr.rules@dcbs.oregon.gov

Labor and Industries Building  
350 Winter St. NE  
Salem, OR 97301

Filed By:  
Karen Winkel  
Rules Coordinator

HEARING(S)

*Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.*

DATE: 10/22/2025

TIME: 10:00 AM

OFFICER: Ethan Baldwin

IN-PERSON HEARING DETAILS

ADDRESS: Labor and Industries Building, 350 Winter St. NE, Basement, Conf Rm E, Salem, OR 97301

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 291236266

SPECIAL INSTRUCTIONS:

This is a hybrid meeting conducted in-person and virtually via Microsoft:

Meeting ID: 226 137 116 838 3

Passcode: sK7Ma74K

or

Dial in by phone

+1 503-446-4951,,291236266# United States, Portland

Phone conference ID: 291 236 266#

NOTE: PUBLIC COMMENTS ARE PUBLIC RECORDS AND WILL BE POSTED ON THE DFR RULEMAKING WEBPAGE.

NEED FOR THE RULE(S)

ORS 743A.145 requires the Department of Consumer and Business Services (DCBS) to adopt and annually update rules

listing the prosthetic and orthotic devices that must be covered under the bill. The list of devices must be no more restrictive than the list of devices used in the Medicare fee schedule. Further, the passage of SB 699 (2025) requires coverage of multiple devices that would need to be covered if determined to be medically necessary and the most appropriate model that meets the medical needs of the insured for performing physical activities, and that maximizes the insured's whole-body health, including lower and upper limb function. The bill directed DCBS to include this expanded coverage in its rulemaking.

---

#### DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Draft rules are available from Karen Winkel, Rules Coordinator, Division of Financial Regulation located at 350 Winter St. NE, Salem, OR 97301 and are available on the division's website:

<https://dfr.oregon.gov/laws-rules/Pages/proposed-rules.aspx>.

---

#### STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The proposed rules result in new substantive coverage requirements. Key groups affected by these rules include Oregon health insurers, consumers that purchase health insurance policies in this state, and individuals enrolled in health insurance policies in this state. The proposed rule will most directly impact Oregon health insurers. Health insurers will need to continue to ensure that each health insurance policy offered in this state provides coverage for the prosthetic and orthotic devices listed in the rule and complies with all other provisions of the rule.

The division is not aware of any data suggesting a disproportionate impact on any specific groups of enrollees or policyholders.

Importantly, these rules and the underlying statute may contribute to advancing health equity by ensuring equitable access for individuals with limb loss and limb difference who are enrolled in individual or group health insurance policies. These individuals will be assured that any health insurance policy offered in this state will provide coverage for a broad range of prosthetic and orthotic devices, and the availability of insurance coverage to offset costs will make those devices more affordable and accessible to individuals who need them. These benefits will likely be disproportionately experienced by Oregonians most at risk for injuries or other health conditions resulting in amputation, including but not limited to veterans or people with diabetes.

---

#### FISCAL AND ECONOMIC IMPACT:

The primary cost of complying with these rules will fall on licensed health insurers. Based on financial filings made to the Division of Financial Regulation (DFR), no health insurer meets the definition of a small business under ORS 183.310, because no insurer is independently owned and operated.

The rules may have indirect impacts upon businesses, including small businesses, that purchase a fully insured group health insurance policy in Oregon. Because plans sold to employers with fewer than 50 employees are already required to cover prosthetic and orthotic devices as part of Oregon's essential health benefits under ORS 731.097 and 743B.013, the adoption of these rules is not expected to have a significant additional cost impact on small employers.

Based on the information available to DCBS, the proposed rules would not have any additional fiscal or economic impact on state agencies, local governments or the public beyond the underlying statutory requirements.

---

#### COST OF COMPLIANCE:

*(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the*

*expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

(1) Based on information currently available to DCBS, the proposed rule does not have a fiscal or economic impact on state agencies or local government units.

Members of the public who may be economically affected by the rulemaking may include health insurers that offer policies that are subject to the rule, individuals and businesses that purchase health insurance policies in this state, and any individuals enrolled in these plans.

The division does not have information available about economic impacts to other members of the public.

(2)(a) These rules apply to health insurers offering health insurance policies that are subject to SB 699. Based on financial filings made to DFR, no health insurer meets the definition of a small business under ORS 183.310, because no health insurer is independently owned and operated.

(2)(b) The rules may impose recordkeeping and other administrative obligations on health insurers that may be necessary to ensure compliance with the list of devices and other requirements of these rules. The division does not have information available to estimate these costs. Because health benefit plans sold to individual and small employers are already required to cover prosthetic and orthotic devices, these rules are not expected to impose significant additional reporting, recordkeeping and administrative activities and costs.

Based on financial filings made to DFR, no health insurer meets the definition of a small business under ORS 183.310, because no insurer is independently owned and operated.

(2)(c) Health insurers offering plans that are subject to these rules may incur costs related to professional services, labor, and increased administration. The division does not have information available to estimate these costs. Because health benefit plans sold to individuals and small employers are already required to cover prosthetic and orthotic devices, the rules are not expected to impose significant additional reporting, recordkeeping and administrative activities and cost.

Based on financial filings made to DFR, no insurers meet the definition of a small business under ORS 183.310, because no insurer is independently owned and operated.

---

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Rules Advisory Committee (RAC) included participation from advocacy organizations representing the interests of businesses providing prosthetic and orthotic services, some of which are likely small businesses. Representatives of small businesses were also invited but did not participate.

---

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

---

AMEND: 836-052-1000

RULE SUMMARY: Establishes list of prosthetic and orthotic devices; prohibits internal or separate limits or caps on prosthetic and orthotic devices, other than the lifetime policy maximum, when permitted by law; defines when coverage for prosthetic and orthotic device is provided through a managed care organization.

CHANGES TO RULE:

(1) For purposes of this rule, the terms "~~orthotic device~~" and "~~prosthetic device~~" device have the meanings given ~~to those terms~~ under ORS 743A.145. ¶¶

(2) The list of devices that must be covered under ORS 743A.145, includes ~~any prosthetic or orthotic~~. ¶¶

(a) Any device for which the Centers for Medicare and Medicaid Services (CMS) has established an L Code in the Healthcare Common Procedure Coding System (HCPCS) Level II, as of January 1, 2025-6; and ¶¶

(3b) Coverage for the prosthetic and orthotic Any additional devices that are determined to be medically necessary and the most appropriate model that meets the medical needs of the insured for purposes of performing physical activities, including but not limited to running, biking, swimming and strength training, and that maximizes the insured's whole-body health, including lower and upper limb function. ¶¶

(3) Coverage for the devices and supplies described in subsection (2) of this section may not be subject to internal or separate limits or caps other than the policy lifetime maximum benefits. This subsection does not authorize a health benefit plan or other policy of health insurance to impose a lifetime or annual dollar limit that is otherwise prohibited under state or federal law. ¶¶

(4) For purposes of ORS 743A.145, coverage provided through a managed care organization includes a health insurance policy that requires an enrollee to use a closed network of providers managed, owned, under contract with or employed by the insurer in order to receive benefits under the plan.

Statutory/Other Authority: ORS 731.244, ~~743A.145~~ OR Laws 2025, ch 259

Statutes/Other Implemented: ~~ORS 745A.145~~ Laws 2025, ch 259