

Winter 2019

COMMON GROUND



DCBS | Consumer and
Business Services

Division of Financial Regulation

Working together to help Oregonians fulfill their financial goals

Administrator's Avenue

Odd numbered years bring opportunity



Two short months into 2019, and the Division of Financial Regulation is running full speed with several programs and services.

The legislative session has begun, and the division has nine bills moving through the Oregon House

and Senate. We are at the capitol virtually every day providing testimony and data on hundreds of bills that affect consumers and the businesses we regulate.

Helping legislators understand the effects of the bills they are debating is a service we are honored to provide. Typically, this takes place at the state level, but occasionally our federal partners ask for help as well.

I recently testified before the 42-member Congressional Ways and Means Committee about protecting consumers with pre-existing conditions. It was a great opportunity to share the hard work being done in Oregon to protect those with pre-existing conditions, and discuss how the protections in the Affordable Care Act work together to maintain health care for the 1.6 million Oregonians with a pre-existing condition.

In addition to working with our legislative partners, we are actively working with several business partners on two new programs. First, the Prescription Drug Price Transparency Program is underway, and we are helping drug manufacturers understand the reporting requirements, fees, and upcoming deadlines. This transparent program also asks insurers to report drug prices during rate review and asks consumers to help by reporting drug prices throughout the year.

One of the most exciting projects we are working on is the Oregon Innovation Hub. We are seeking to collaborate with insurance, financial services, and technology companies to effectively and efficiently bring innovative products, tools, and services to Oregonians.

We look forward to learning about your innovative ideas and helping you implement them to benefit Oregon consumers.

As you can see, there is a lot to read about in this issue. I hope you enjoy learning more about the bills we are working on, and the programs we are excited to bring to both you and Oregon consumers.

Thank you for your collaboration and commitment to enhancing the lives of all Oregonians.

Welcome to Common Ground.

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Defending protections for pre-existing conditions before the U.S. House Committee on Ways and Means

Insurance Commissioner and Division Administrator Andrew Stolfi was part of a five-member panel that testified on protecting Americans with pre-existing conditions before the U.S. House Committee on Ways and Means.

Commissioner Stolfi provided an eight-page written testimony, a five-minute verbal testimony, and answered several questions during the more than four-hour hearing.

Below is an excerpt from the commissioner's testimony. Click the links provided to see the full [written testimony](#) or view the [committee hearing](#).

Protecting individuals with pre-existing conditions: Many spokes in a wheel

Pre-existing conditions can be as common as allergies or as serious as cancer and affect millions of people nationwide, including more than 1.6 million Oregonians. The Affordable Care Act's consumer protections are critically important to ensuring that Americans can access the health care they need, regardless of health conditions they did not choose to develop.

Providing protection for people with pre-existing conditions requires a comprehensive set of interlocking laws that work together like spokes in a wheel. The most important of these protections work together:

- › Guaranteed issue lets you buy a policy you need
- › Community rating prevents you from being charged more just because of your condition
- › Guaranteed renewability prevents an insurer from canceling your policy if you use its benefits
- › Ban on pre-existing condition exclusions ensures that your policy covers the treatment you need



- › Preventive services can keep your problem from getting worse
- › Essential health benefits ensure that all the treatments you need are covered
- › Ban on annual and lifetime dollar limits protects you from crippling out-of-pocket expenses when you use your essential benefits

The ACA has helped provide Oregonians and their families with access to comprehensive health care. It has greatly reduced our uninsured population, created tens of thousands of new jobs, and saved hospitals hundreds of millions a year in uncompensated care. More people are healthier than they would be without it.

Unfortunately, uncertainty at the federal level has threatened our work and added costs to the system. Oregonians with pre-existing conditions face the greatest uncertainty if the strides we have taken since 2009 are suddenly erased, but this is not just a problem for our most vulnerable.

Access to affordable health care is important for everyone and we should focus more on innovative solutions to control costs and maintain a stable health insurance market than on dismantling the gains we have made.



Nine legislative priorities for the 2019 session

The Division of Financial Regulation will be busy throughout the entire legislative session. We will continue to provide information to legislators and answer questions regarding hundreds of bills during the first six months of 2019. In addition to helping legislators understand several of the bills they are reviewing, the division asked for nine bills to be introduced, covering a wide range of issues.

Here is a summary of each bill's key provisions:

SB 249 – Improving consumer protections for prior authorization: The division fields more than 100 complaints a year related to prior authorization.

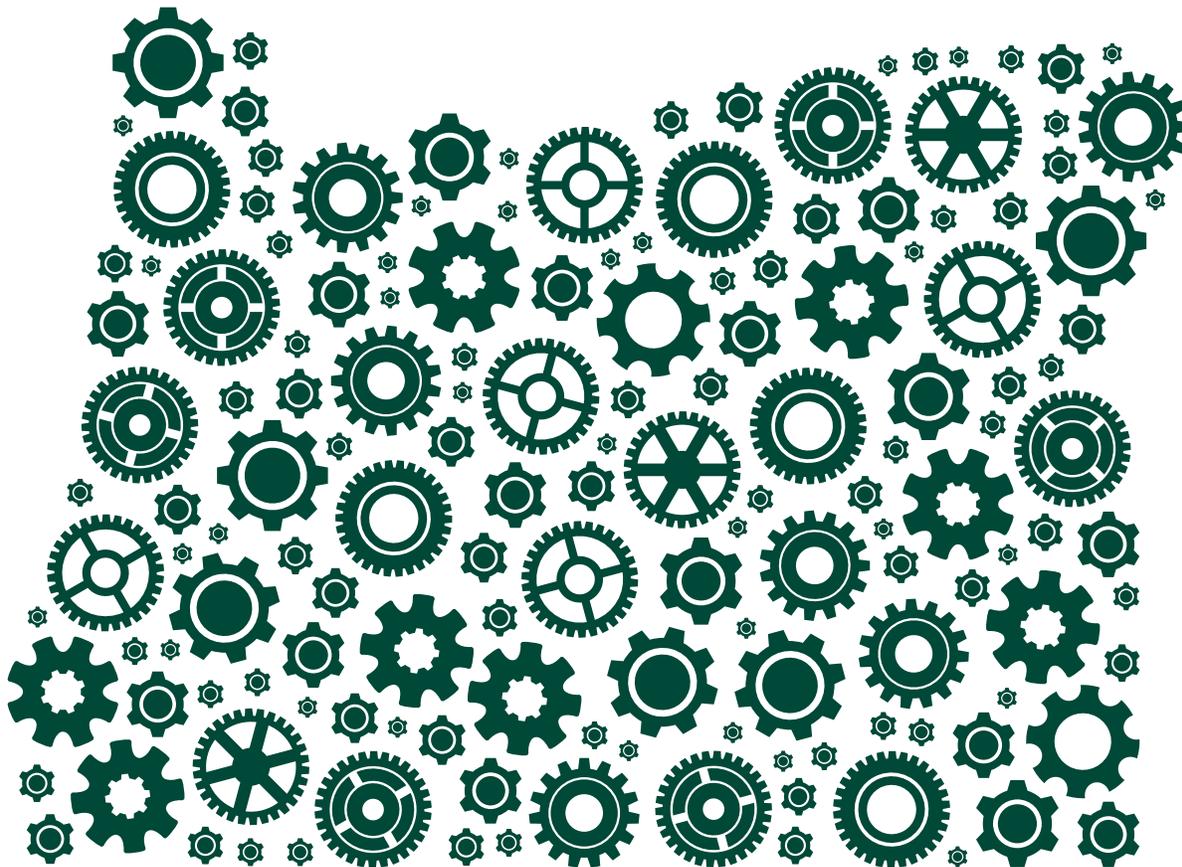
The bill provides modest changes to Oregon law to protect consumers by enforcing standards on communication, documentation, and timing. The bill passed the Senate Health Care Committee and passed nearly unanimously on the Senate floor. It is now moving to the House Health Care Committee.

SB 250 – Health care stabilization: The intent of this bill is to ensure that key protections of the ACA remain available to Oregonians in the face of ongoing uncertainty at the federal level. The key provisions of this bill will be protections for people with pre-existing conditions, mental health parity, nondiscrimination, risk adjustment, health reimbursement arrangement changes, required multiple bronze standard plan designs, and an out-of-state coverage fix. It makes technical changes to the Oregon insurance code and allows the division to more effectively regulate Oregon's health insurance market. We are currently working with the Governor's Office on this bill.

SB 251 – Credit for reinsurance and changes for adjuster licensing: The bill adopts the National Association of Insurance Commissioners Credit for Reinsurance model law No. 785. It provides greater access to credit for reinsurance, sets a standard certification process for non-U.S. reinsurers, and aligns the Oregon statute with the federal Nonadmitted and Reinsurance Reform Act.

The bill also achieves uniformity for adjuster licensing, separates licensing provisions for insurance adjusters and consultants, and imposes licensing provisions upon consultants similar to the provisions on adjusters. A work session will be scheduled for this bill soon.

HB 2010 – Oregon Reinsurance Program: This bill was an important piece of the overall budget for the state. It provides solvency for the Oregon Health Plan and longevity for the Oregon Reinsurance



Program. This bill was signed into law on Wednesday, March 13.

HB 2088 – Supervision of endowment care cemeteries: A recent case involving an endowment care cemetery in Klamath Falls revealed that current law does not provide adequate remedies for endowment care cemeteries that commit consumer fraud, do not follow through on care arrangements, prevent family members from visiting grave sites, refuse to follow state orders, and hide assets from authorities. The bill moved through the House quickly and will be voted on in the Senate this week.

HB 2089 – Regulation of payday lenders: The bill limits payday lenders to issuing one loan to a consumer at a time. It allows consumers to pay back the loan, maintains a balance of consumer access to loans, and prevents a cycle of high-interest debt.

HB 2419 – Licensing requirements: The bill gives the Department of Consumer and Business Services

authority to require license and background checks through the Nationwide Multiple License System (NMLS). An amendment will clarify who must undergo a background check.

HB 3074 – Streamline the health insurance rate review process: The bill provides technical changes to help make the state's transparent rate review process more efficient.

HB 5011 – Relating to the financial administration of the Department of Consumer and Business Services and declaring an emergency: This budget bill allows DCBS and its divisions, including the Division of Financial Regulation, to carry out its regulatory mission. The bill was heard in the House Ways and Means Committee and will be up for a work session in the same committee.

Visit the [Oregon State Legislature](https://www.legis.oregon.gov/) site to follow each bill.

Advocacy and Outreach



State recovers more than \$4 million for insurance consumers

The Division of Financial Regulation investigated nearly 4,000 insurance complaint cases and recovered more than \$4 million for Oregonians in 2018. Money recovered for insurance consumers typically comes from disputed settlements and underpaid claims.

Claim denials and delays topped the list of reasons consumers filed complaints. Denials and delays accounted for more than 69 percent of all insurance complaints. The two types of insurance that received the most complaints were health insurance (43 percent) and auto insurance (35 percent). Approximately 78 percent of recovered insurance money came from life and health insurance claims.

Oregon consumers are encouraged to contact the division's advocacy team to discuss a wide range of questions and concerns related to insurance and

financial products. The advocacy team is made up of industry experts here to help consumers understand their policies, contracts, and rights under the law.

Oregonians with questions about their insurance or financial products are encouraged to contact our advocates one of three ways:

- Call 888-877-4894 (toll-free)
- Visit dfr.oregon.gov/help
- Email DFR.InsuranceHelp@oregon.gov

The advocacy team helps consumers understand their policies, contracts, and loan terms, and works hard to make sure they receive the money or services they are owed under their contracts and Oregon law. The team is critical to driving the division's mission of protecting Oregonians' access to fair products and services through education, regulation, and consumer assistance.

2018 Outreach themes

First quarter

- Financial literacy

Second quarter

- Health insurance

Third quarter

- Auto and home insurance

Fourth quarter

- Preparing for retirement
- Financial security



Oregon's Innovation Hub is here to help insurance and financial services businesses

The Division of Financial Regulation has opened its Innovation Hub to help insurance, financial, and technology companies bring innovative products, services, and tools to Oregonians.

Experts, thought leaders, and businesses are encouraged to visit dfr.oregon.gov/innovation to connect with the division's Innovation Liaison and learn more about Oregon's Innovation Hub.

The innovation liaison helps companies navigate regulatory guidelines enabling new technology to flourish in the state.

The liaison:

Reviews innovation and regulatory requirements to balance risks with benefits.

Connects fintech and insuretech firms to the division. These companies leverage technology

to create new business models, delivery channels, and automated decisions for financial services and insurance companies.

Encourages collaboration between businesses, innovators, licensees, and consumers.

Identifies areas where the legal framework needs to be modernized to keep up with changes in technology.

“We want to engage and collaborate with businesses that are poised to leverage technology in a way that will benefit Oregonians.” said Andrew Stolfi, division administrator. “The Innovation Hub is here to help the businesses we regulate deliver emerging products, and services to Oregon consumers.”

For more information or to connect with the Innovation Liaison visit dfr.oregon.gov/innovation.



Oregon has one of nation's first Rx price transparency laws and drug manufacturers begin reporting March 15

The Prescription Drug Transparency Act (House Bill 4005), enacted during the 2018 legislative session, established one of the nation's first prescription drug price transparency programs. This new law requires drug manufacturers to report specific information related to prescription drug prices to the Department of Consumer and Business Services. The department's Division of Financial Regulation will review and release the information to the public.

Manufacturers must start reporting new drug prices on March 15, and annual price increase reports must be filed by July 1. The new law also requires prescription drug manufacturers to pay a \$400 assessment to the division to implement the program.

Failure to file reports or comply with the new law may result in civil penalties for pharmaceutical manufacturers.

A manufacturer that meets these three requirements must create an account and pay the annual \$400 assessment:

1. Required to be registered with the Oregon Board of Pharmacy as a drug manufacturer
2. Engage in the manufacture of prescription drugs as defined in [2018 OR Laws ch. 7](#)
3. Set or change the wholesale acquisition cost of drugs

Reporting Requirements of manufacturers

New drug reporting – beginning March 15, 2019

- The price of a new prescription drug for sale in the United States exceeds the threshold set by the Centers for Medicare and Medicaid Services in Medicare Part D (\$670) for a 30-day supply or for a course of treatment lasting less than one month.

Annual price increase reporting – by July 1, 2019

- The price (wholesale acquisition cost) at any point in 2018 was \$100 or more for a one-month supply or for a course of treatment lasting less than one month and
- There was a net yearly increase of 10 percent or more in the price of the prescription drug.

Companies that meet the criteria of a reporting manufacturer, must send the name, email address, and phone number of the company's primary contact to rx.prices@oregon.gov.

For more information on the Prescription Drug Price Transparency Program, visit dfr.oregon.gov/drugtransparency

Oregon financial institutions step up for federal employees during shutdown



Many banks, credit unions, and other financial institutions doing business in Oregon provided help and programs to federal government workers affected by the government shutdown. The division encouraged federal employees to contact their financial institutions to let them know how the shutdown has affected them and to ask about the help it can provide.

Below is a list of some of the banks and credit unions that stepped up to help government workers. The list is not exhaustive, but represents the institutions that the division was able to identify.

Banks

Oregon-chartered:

- [Oregon Pacific Bank](#)
- [People's Bank of Commerce](#)
- [Umpqua Bank](#)

Federally-chartered and other out-of-state banks that do business in Oregon:

- [Bank of America](#)
- [JPMorgan Chase](#)
- [U.S. Bank](#)

- [Wells Fargo](#)
- [Washington Federal](#)
- [Columbia Bank](#)
- [Banner Bank](#)

Visit the American Bankers Association for a [full list of participating institutions](#).

Credit unions

Oregon-chartered:

- [Unitus Community Credit Union](#)
- [USAgenies Credit Union](#)
- [OnPoint Community Credit Union](#)
- [Northwest Community Credit Union](#)
- [Rogue Credit Union](#)
- [Maps Credit Union](#)
- [Oregon Community Credit Union](#)
- [Rivermark Community Credit Union](#)
- [Central Willamette Community Credit Union](#)
- [Advantis Credit Union](#)
- [NW Priority Credit Union](#)

Federally-chartered and other out-of-state credit unions that do business in Oregon:

- [Clackamas Federal Credit Union](#)
- [Wauna Credit Union](#)
- [Mid Oregon Credit Union](#)
- [iQ Credit Union](#)
- [InRoads Credit Union](#)
- [Pacific NW Federal Credit Union](#)

Visit the Northwest Credit Union Association for a current list of participating institutions.

BULLETINS

DFR 2019-01: Use of corporate and assumed business names by insurers

The bulletin clarifies the requirements and procedures relating to the use of corporate and assumed business names by insurers, including health care service contractors.

[Review the entire bulletin for a summary of requirements](#)

