

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Department of Consumer and Business Services Agency and Division	Insurance Division	836 Administrative Rules Chapter Number
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In the Matter of: Amending OAR 836-053-0471.

Rule Caption: Adopting consumer disclosure requirement for individual and small employer health benefit plan rate filings.

Statutory Authority: ORS 731.244, 743.018, 743.019, 743.020

Stats. Implemented: ORS 742.003, 742.005, 742.007, 743.018, 743.019, 743.020, 743.730, 743.767

Need for the Rule(s):

In 2010, the Insurance Division developed a more transparent process for review of requests for health insurance rate increases for individual and small employer health benefit plans. After operating under that process, it has become apparent that it would be valuable to provide consumers with more and better information, including information about how premium contributions are spent by insurers. This rule will add disclosure requirements to the rate filing process for small group and individual health benefit plans, including information about medical claims costs and a breakdown of insurer expenditures that make up the average rate.

Documents Relied Upon, and where they are available:

- 49 CFR Part 154, available at: <http://healthreformgps.org/wp-content/uploads/rate.pdf>.
- Federal Draft Consumer Disclosure about Proposed Health Insurance Rate Increase, available from the division upon request.

Fiscal and Economical Impact, including Statement of Cost of Compliance:

The Oregon Insurance Division anticipates no fiscal impact resulting from this rulemaking. Insurers will be required to include additional disclosures in their rate filings, at some small cost. The Division anticipates that the fiscal impact of this is minimal because the document insurers will be required to append to their rate filings would be required by federal law for rate increase requests above 10% anyway.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2) (b) (E)):
This rule should have no fiscal impact on other agencies, local government or the public.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:
This rule applies only to health insurers. No health insurers in this state are small businesses.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: This rule applies only to health insurers. No health insurers in this state are small businesses.

c. Equipment, supplies, labor and increased administration required for compliance:
No equipment. Small initial labor requirement. Small ongoing administrative effort.

How were small businesses involved in the development of this rule?

Stakeholder groups representing consumers and small businesses were represented. They are not directly impacted by the rule, but will be recipients of the additional disclosures required by the rule.

Administrative Rule Advisory Committee consulted?

Yes. A stakeholder group composed of health insurers and consumers was appointed to discuss the proposed rule.

(Signed)

Signature

Teresa D. Miller, Insurance Administrator

Printed name

June 15, 2011

Date