

836-009-0020(T) (New)

Definitions

As used in OAR 836-009-0020(T) to 836-009-0040(T):

(1) "Gross amount of premiums" has the meaning given in ORS 731.808. "Gross amount of premiums" includes premiums earned from riders that are subject to the assessment.

(2) "Health insurer" means any insurer or health care service contractor receiving premiums derived from health plan policies insuring Oregon residents or delivered or issued for delivery in Oregon.

(3) "Health plan" has the meaning given in section 4, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116).

(4) (a) "Resident of this state" means the person engages in any gainful employment in this state or takes any action to indicate the acquiring of residence in this state. As used in this subsection, "action to acquire residence" includes, but is not limited to, doing any of the following:

(A) Remaining in this state for a consecutive period of six months or more regardless of the domicile of the person.

(B) Placing children in a public school without payment of nonresident tuition fees.

(C) Making a declaration to be a resident of this state for the purpose of obtaining, at resident rates, a state license or tuition fees at an educational institution maintained by public funds.

(b) "Resident of this state" does not include a person who is gainfully employed in this state if the person has taken no other steps to become a resident, including but not limited to, a student at an educational institution maintained by public funds who is paying nonresident tuition rates."

Stat. Auth.: ORS 731.244

Stats. Implemented: Sections 4 to 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116)

836-009-0025(T) (New)

Verified Assessment Reporting and Form

(1) Beginning October 1, 2009, every health insurer shall pay an assessment to the Department of Consumer and Business Services in the amount of one percent of the gross amount of premiums earned during each calendar quarter. The health insurer shall submit the assessment no later than 45 days following the end of each calendar quarter.

(2)(a) A health insurer must pay the assessment on the gross amount of premiums earned from both:

(A) Policies insuring Oregon residents; and

(B) Policies delivered or issued for delivery in Oregon.

(b) A health insurer must pay the assessment under section 5, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116) on that portion of gross premium earned from policies covering Oregon residents even when such policies are issued in another state.

- (3) To calculate the premiums earned for a calendar quarter, the health insurer must:**
- (a) Deduct returned premiums from premiums received by the insurer and its insurance producers during a calendar quarter.**
- (b) Include that portion of gross premiums earned from policies covering Oregon residents even when such policies are issued in another state.**
- (4) In addition to any information requested by the Department of Consumer and Business Services, the health insurer must submit with the assessment a verified form created by the Department of Consumer and Business Services and posted on the department's website and must report:**
- (a) All of the health plans issued or renewed during the calendar quarter for which the assessment is paid; and**
- (b) The gross amount of premiums earned by line of insurance from all health plans issued or renewed during the calendar quarter for which the assessment is paid.**
- (5) The one percent assessment imposed under chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116) is in addition to and not in lieu of any other tax, surcharge, or assessment imposed on the insurer and applies to premiums earned by health insurers from October 1, 2009 through September 30, 2013. The first assessment payment is due no later than February 15, 2010, for the premiums earned during the last calendar quarter of 2009.**

Stat. Auth.: ORS 731.244

Stats. Implemented: Sections 4 to 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116)

836-009-0030(T) (New)

One-Time Increase in Existing, Approved Premium Rates

- (1) Beginning October 1, 2009, a health insurer may but is not required to increase existing premium rates by up to one percent in accordance with the limitations provided in section 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116). In order to determine the amount of increase of existing rate that is allowed, the insurer shall multiply the existing premium by 1 percent. The result derived from multiplying the premium by .01 is the maximum amount of increase the insurer may add to an existing, approved rate.**
- (2) If an insurer miscalculates the one-time increase allowed under subsection (1) of this section, and if the insurer has already issued billing statements, the insurer may refund amounts collected in excess of one percent by crediting customers in subsequent billings, by issuing separate refunds, or credit customers by other methods as long as all refunds are made or the insurer has resolved the issue by the close of the 2009 calendar year. An increase to existing rates may not be applied retroactively.**
- (3) If the Department of Consumer and Business Services has already approved a health insurer's existing rate, the health insurer should not file for approval of the one-time premium rate increase allowed by subsection (1) of this rule.**
- (4) If a health insurer that has already had its rates approved does increase its rates by an amount up to the allowed one percent, the insurer must include a notice that explains the rate increase with the first consumer billing reflecting the rate increase. The notice may be printed on the consumer billing, on a sticker affixed to the consumer billing, or on a separate insert with the consumer billing. A health insurer that bills electronically may include the notice electronically or may send the notice separately by mail. The notice**

should not be sent with subsequent future billings. A health insurer may communicate with customers in other ways but the insurer may not alter, modify, or add to the notice required by this subsection, and a health insurer may not list the assessment as a separate line item on consumer billing statements.

(5) The notice required under subsection (4) of this rule shall be either of the following:

(a) Notice 1: "Your health insurance premium reflects a new one percent tax. These tax funds together with federal matching funds will be used to provide health benefits for uninsured Oregon children."; or

(b) Notice 2: "Beginning [insert date on or after October 1, 2009], your health insurance premium will increase to reflect a one percent tax on health insurance premiums. Funds raised by this tax will be matched more than 2 to 1 by the federal government and will provide access to health care coverage for 80,000 low and moderate-income Oregon children who currently have no health insurance. Ultimately, expanding health care coverage to those who are uninsured is expected to decrease the portion of your premium that currently helps offset the unpaid medical bills of others.".

Stat. Auth.: ORS 731.244

Stats. Implemented: Sections 4 to 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116)

836-009-0035(T) (New)

Inclusion of Assessment in Future Rate Filings

(1) In future rate filings, a health insurer may include amounts actually paid toward the assessment. In those rate filings, the health insurer should report the amounts actually paid toward the assessment as an element of administrative expense or retention. If a health insurer includes in rate filings the amounts actually paid toward the assessment, the health insurer should not send the notice set out in OAR 836-009-0030(T) (4) with consumer billing statements.

(2) If a health insurer increases an existing, approved rate by the allowed amount, a subsequent rate filing that includes amounts actually paid toward the assessment must include only amounts actually paid toward the assessment in excess of the amounts received as a result of the one percent increase in the existing, approved rate.

Stat. Auth.: ORS 731.244

Stats. Implemented: Sections 4 to 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116)

836-009-0040(T) (New)

Assessment Derived from Premiums Derived From Contracts not Subject to Rate Approval

(1) Any health insurer deriving premiums from contracts of insurance not subject to the Department of Consumer and Business Services' rate approval authority may increase existing rates on such contracts by one percent but also must provide one of the notices set out in OAR 836-009-0030(T) with the first consumer billing that reflects the rate increase. The notice must be in the form described in OAR 836-009-0030(T) and may not be altered, modified, or added to. A health insurer subject to the Department of Consumer and

Business Services' rate approval authority may not list the assessment as a separate line item on the consumer billing statement. The notice should not be sent with subsequent consumer billings statements.

(2) In order to determine the amount of increase of existing rate that is allowed, the insurer shall multiply the existing premium by one percent. The result derived from multiplying the premium by .01 is the maximum amount of increase the insurer may add to an existing contractual rate.

Stat. Auth.: ORS 731.244

Stats. Implemented: Sections 4 to 8, chapter 867, Oregon Laws 2009 (Enrolled House Bill 2116)