

Secretary of State
Certificate and Order for Filing
PERMANENT ADMINISTRATIVE RULES

I certify that the attached copies* are true, full and correct copies of the permanent rule(s) adopted on October 22, 2009 by the

Oregon Department of Consumer and Business Services	Insurance Division	836
Agency and Division		Administrative Rules Chapter Number
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to become effective upon filing. Rulemaking Notice was published in the September 2009 Oregon Bulletin. **

RULE CAPTION

Adopting Permanent Rules Governing Federal Subsidy for State Program for Continuation of Health Benefit Plans

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

RULEMAKING ACTION

ADOPT: OAR 836-053-0850, 836-053-0855, 836-053-0860, 836-053-0865

AMEND:

REPEAL: OAR 836-053-0850T, 836-053-0855T, 836-053-0860T, and 836-053-0865T

RENUMBER:

AMEND & RENUMBER:

Stat. Auth.: ORS 731.244, 743.610

Other Auth.:

Stats. Implemented: ORS 743.610, chapter 73, Oregon Laws 2009 (Enrolled House Bill 2433)

RULE SUMMARY

Oregonians who lose their jobs have two options to continue coverage under their group health plan. If their former employer has 20 or more workers, they are eligible under the Consolidated Omnibus Budget Reconciliation Act (COBRA). If their former employer has fewer than 20 workers, they are eligible under Oregon's state continuation law. The federal economic stimulus package extends a 65-percent subsidy for up to nine months of coverage. Recognizing the need for changes to state law to allow Oregonians to obtain the full advantage of the federal subsidy, the Oregon Legislative Assembly enacted House Bill 2433, which extends the period of eligibility for state continuation coverage from six months to nine months and allows the Director of the Department of Consumer and Business Services to adopt rules as necessary to allow Oregonians to take full advantage of the benefits provided by the federal law. On April 28, 2009, the Director adopted temporary rules OAR 836-053-0850T, 836-053-0855T, 836-053-0860T, 836-053-0865T (the temporary rules) that enacted the following provisions to implement House Bill 2433:

- Extend the period of continuation coverage for assistance eligible individuals (AEIs) to provide coverage periods of no less than nine months
- Allow an independent election of coverage for all qualified beneficiaries
- Create a second election opportunity for state continuation coverage for AEIs who experienced a qualifying event on or after 09/01/08 and before April 28, 2009 and either did not elect or whose continuation coverage ended for any reason (e.g., lapse due to nonpayment, expiration of 6-month coverage period)
- Establish notice requirements for insurers
- Specify that enrollees who take advantage of the second election opportunity are provided a period of continuous coverage for purposes of calculating creditable coverage

