

Secretary of State
Certificate and Order for Filing
TEMPORARY ADMINISTRATIVE RULES
A Statement of Need and Justification accompanies this form..

I certify that the attached copies* are true, full and correct copies of the TEMPORARY Rule(s) adopted on April 22, 2010 by the

Department of Consumer and Business Services – Insurance Division	836	
Agency and Division	Administrative Rules Chapter Number	
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to become effective April 22, 2010 through October 15, 2010.

RULE CAPTION

Creates process for waiver of 95 percent retention rate requirement for association health plans

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

RULEMAKING ACTION

ADOPT:

AMEND: OAR 836-053-0081

SUSPEND:

Stat. Auth.: ORS 731.244, 742.734

Other Auth.: Chapter 81, Oregon Laws 2010 (Enrolled Senate Bill 1003)

Stats. Implemented: ORS 743.734

RULE SUMMARY

This rule creates the process the Director of the Department of Consumer and Business Services will use to consider a request to waive the 95 percent retention rate requirements of ORS 743.734. Under Oregon law (ORS 743.734), an association health plan must retain 95 percent of its enrollees in order to be exempt from small employer group rating laws. An association health plan that fails to meet this requirement has 12 months within which to correct the deficiency in retention. If the association fails to correct the deficiency the association health plan must be rated under small group rating laws, which may result in significant rate increases.

The rule requires association health plans seeking a waiver to submit a written request to the director between the 3rd and 6th month of the 12-month correction period. With the request for waiver, the association health plans must submit information about the small employer groups covered by the association plan and why some groups left the association plan. The information required that will allow the director to understand why the association failed to meet the retention rate and to determine whether the association engaged in any practice that caused, or was designed to cause, any small employer group to terminate coverage under the plan.

The rules require the director to consider the waiver request and within 90 days after the director receives the request, to deny the request of allow a waiver of the 95 percent retention requirement of ORS 743.734(7). The director must find that the association health plan did not engage in any practice that caused, or was designed to cause, any small employer group to terminate coverage

