

EMPLOYEE BENEFITS COMPLIANCE UPDATE

A Parker, Smith & Feek Benefit Alert

JANUARY 2024

2024 Compliance Outlook in Oregon

The Oregon legislature was very busy last year adding consumer protections to insured benefits. In addition, the taxable wage cap for Paid Leave Oregon has increased. The contribution rate is not changing, but the taxable wage amount is going up.

NEW OREGON CONSUMER PROTECTION LAWS EFFECTIVE JANUARY 1, 2024

2024 Oregon consumer protections laws included multiple mandates for fully insured group health plans sold in Oregon. The Oregon Division of Financial Regulation (DFR), part of the Oregon Department of Consumer and Business Services, compiled a list of 13 consumer protection laws that became effective January 1, 2024. Eight of these laws have a direct impact on employer sponsored health plans.

Bills that will impact employer sponsored health plans include:

- + [SB 192](#) - Directs the Oregon Prescription Drug Affordability Board to develop a plan for upper payment limits on prescription drugs, requires pharmacy benefit managers to provide price transparency reports to DCBS, expands health insurance company transparency reporting, and includes changes to strengthen DCBS prescription drug pricing programs.
- + [SB 628](#) - Requires coverage of certain treatments for pediatric autoimmune neuropsychiatric disorders.
- + [SB 797](#) - Requires coverage of medically necessary prosthetic and orthotic devices.
- + [SB 1041](#) - Prohibits a member cost share - deductible, co-insurance, co-payments, or any other out-of-pocket expenses on supplemental and diagnostic breast examinations.
- + [SB 1529](#) - Requires coverage of three primary care or behavioral health visits with a co-pay of no more than \$5 and requires health insurance carriers to automatically assign members to primary care providers. View our previous article [here](#).

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- + [HB 2002](#) - Establishes an individual’s right to make reproductive health choices. Includes a statutory requirement for health benefit plans to cover gender-affirming treatment. Provides protections for individuals and providers participating in reproductive health and gender affirmation treatments.
- + [HB 2574](#) - Eliminates member cost sharing for coverage of post-exposure prophylactic drugs for the prevention of HIV.
- + [HB 2994](#) - Expands the coverage of bilateral cochlear implants, hearing aids, and other hearing assistive technology.

The Oregon DFR’s guide to the 2024 consumer protection laws is available at dfr.oregon.gov/news/news2023/Pages/20231227-Many-new-consumer-protection-laws.aspx. This includes all 13 laws with more detail on each of the new regulations.

EXPANDED DEFINITION OF REGISTERED DOMESTIC PARTNER

In addition to the consumer protection laws, the Oregon legislature expanded the definition of registered domestic partner under the [Oregon Family Fairness Act](#). [HB 2032](#) amends the definition of domestic partner under the act to include opposite gender state registered domestic partners. This change will apply to all fully insured health and life policies issued in Oregon. Employers will be required to offer the same benefit eligibility to same or opposite registered domestic partners as legally married spouses.

Oregon Family Fairness Act: www.oregonlegislature.gov/bills_laws/ors/ors106.html

HB 2032: <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/MeasureDocument/HB2032/Enrolled>

As a reminder, domestic partner coverage causes tax complications. For federal taxes, the value of the employer’s contribution toward the coverage of a domestic partner will generally be considered taxable income to the employee. Employees generally may not pay for a domestic partner’s coverage on a pre-tax basis through a Code Section 125 cafeteria plan, and domestic partners expenses may not be reimbursed through a healthcare Flexible Spending Account (FSA) or Health Savings Account (HSA). However, for Oregon state income tax purposes, coverage for a registered domestic partner is treated the same as a spouse. The value of the domestic partner’s coverage is not considered income to the employee for state tax purposes in Oregon.

2024 PAID LEAVE OREGON (PLO) - UPDATE TO TAXABLE WAGE CAP

The PLO contribution rate for 2024 will stay the same as 2023 at 1% of each employee’s wages. However, employers should note that the taxable wage cap is increasing from \$132,900 to \$168,600 which coincides with the Social Security taxable maximum wage amount



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for 2024. \$132,900 was the cap established in 2019 when PLO rulemaking began. The administrative rules state that beginning with calendar year 2024, the maximum wage amount will tie to the social security wage cap and increase annually based on the same consumer price index increase that applies to the social security wage cap. Because of this, we do not anticipate large increases going forward.

Contributions for PLO are divided between employees and employers, with 60% of the rate paid by employees and 40% by large employers.

Each November, the Oregon Employment Department notifies employers of tax and contribution rates for the next calendar year. The contribution rate is based on premiums received and benefits paid during the previous year. This information is also posted in employers' [Frances Online account](#).

SUMMARY

Fully insured plans sold in Oregon must comply with the new consumer protection and domestic partner laws. Oregon carriers/issuers will be responsible for ensuring compliance and we anticipate they will release amendments to current plans in the coming months.

Employers should work with their payroll department and/or vendors to ensure the updated taxable wage base is used for employee contributions beginning January 01, 2024.

As always, should you have any questions, please contact your [Parker, Smith & Feek Benefits Team](#). While every effort has been taken in compiling this information to ensure that its contents are totally accurate, neither the publisher nor the author can accept liability for any inaccuracies or changed circumstances of any information herein or for the consequences of any reliance placed upon it.