

**Enrolled**  
**Senate Bill 585**

Sponsored by COMMITTEE ON COMMERCE

CHAPTER .....

AN ACT

Relating to medical care provided to insurance beneficiaries; creating new provisions; and amending ORS 87.560 and 742.520.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** Section 2 of this 2005 Act is added to and made a part of ORS 742.520 to 742.542.

**SECTION 2.** As used in ORS 742.520 to 742.542:

(1) "Evaluation services" means physical examinations or reviews of medical records of beneficiaries conducted at the request of an insurer by either an employee of the insurer or a third-party medical record or bill review service to determine whether the provision or continuation of medical services is necessary or reasonable.

(2) "Managed care services" means any system of health care delivery that attempts to control or coordinate use of health care services in order to contain health care expenditures or improve quality of health care services.

(3) "Motor vehicle" means a self-propelled land motor vehicle or trailer, other than:

(a) A farm-type tractor or other self-propelled equipment designed for use principally off public roads, while not upon public roads;

(b) A vehicle operated on rails or crawler-treads; or

(c) A vehicle located for use as a residence or premises.

(4) "Motorcycle" and "moped" have the meanings given those terms in ORS 801.345 and 801.365.

(5) "Occupying" means in, or upon, or entering into or alighting from.

(6) "Pedestrian" means a person while not occupying a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is determined to be medically necessary for the occupant of the wheelchair or other low-powered vehicle.

(7) "Personal injury protection benefits" means the benefits described in ORS 742.520 to 742.542.

(8) "Private passenger motor vehicle" means a four-wheel passenger or station wagon type motor vehicle not used as a public or livery conveyance, and includes any other four-wheel motor vehicle of the utility, pickup body, sedan delivery or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled mobile home and a farm truck.

(9) "Provider" has the meaning given that term in ORS 743.801.

**SECTION 3.** ORS 742.520 is amended to read:

742.520. (1) Every motor vehicle liability policy issued for delivery in this state that covers any private passenger motor vehicle shall provide personal injury protection benefits to the person insured thereunder, members of that person's family residing in the same household, children not related to the insured by blood, marriage or adoption who are residing in the same household as the insured and being reared as the insured's own, passengers occupying the insured motor vehicle and pedestrians struck by the insured motor vehicle. [*“Personal injury protection benefits” means the benefits described in this section and ORS 742.524 and 742.530.*]

(2) Personal injury protection benefits apply to a person's injury or death resulting:

(a) In the case of the person insured under the policy and members of that person's family residing in the same household, from the use, occupancy or maintenance of any motor vehicle, except the following vehicles:

(A) A motor vehicle, including a motorcycle or moped, that is owned or furnished or available for regular use by any of such persons and that is not described in the policy;

(B) A motorcycle or moped which is not owned by any of such persons, but this exclusion applies only when the injury or death results from such person's operating or riding upon the motorcycle or moped; and

(C) A motor vehicle not included in subparagraph (A) or (B) of this paragraph and not a private passenger motor vehicle. However, this exclusion applies only when the injury or death results from such person's operating or occupying the motor vehicle.

(b) In the case of a passenger occupying or a pedestrian struck by the insured motor vehicle, from the use, occupancy or maintenance of the vehicle.

(3) Personal injury protection benefits consist of payments for expenses, loss of income and loss of essential services as provided in ORS 742.524.

(4) An insurer shall pay all personal injury protection benefits promptly after proof of loss has been submitted to the insurer.

(5) The potential existence of a cause of action in tort does not relieve an insurer from the duty to pay personal injury protection benefits.

(6) Disputes between insurers and beneficiaries about the amount of personal injury protection benefits, or about the denial of personal injury protection benefits, shall be decided by arbitration if mutually agreed to at the time of the dispute.

**(7) An insurer:**

**(a) May not enter into or renew any contract that provides, or has the effect of providing, managed care services to beneficiaries.**

**(b) May enter into or renew any contract that provides evaluation services for beneficiaries.**

[*(7) As used in ORS 742.520 to 742.542:*]

[*(a) “Motor vehicle” means a self-propelled land motor vehicle or trailer, other than:*]

[*(A) A farm type tractor or other self-propelled equipment designed for use principally off public roads, while not upon public roads;*]

[*(B) A vehicle operated on rails or crawler-treads; or*]

[*(C) A vehicle located for use as a residence or premises.*]

[*(b) “Motorcycle” and “moped” have the meanings given those terms in ORS 801.345 and 801.365.*]

[*(c) “Occupying” means in, or upon, or entering into or alighting from.*]

[*(d) “Pedestrian” means a person while not occupying a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is determined to be medically necessary for the occupant of the wheelchair or other low-powered vehicle.*]

[*(e) “Private passenger motor vehicle” means a four-wheel passenger or station wagon type motor vehicle not used as a public or livery conveyance, and includes any other four-wheel motor vehicle of the utility, pickup body, sedan delivery or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled mobile home, and a farm truck.*]

[(f) "Provider" has the meaning given that term in ORS 743.801.]

**SECTION 4. Section 2 of this 2005 Act and the amendments to ORS 742.520 by section 3 of this 2005 Act apply to motor vehicle liability policies providing personal injury protection benefits issued or renewed on or after the effective date of this 2005 Act.**

**SECTION 5.** ORS 87.560 is amended to read:

87.560. (1) No lien under ORS 87.555 (1) shall be allowed:

(a) For hospitalization and treatment from a physician rendered after a settlement has been effected by or on behalf of the party causing the injury[. *No lien shall be allowed*];

(b) Against any sum for necessary attorney fees, costs and expenses incurred by the injured party in securing a settlement, compromise, award or judgment[.]; **or**

(c) **For an amount payable for medical services under a policy that provides personal injury protection coverage provided to an injured person prior to a hospital or physician perfecting a lien under ORS 87.565 (2).**

(2) **This section does not preclude a hospital or a physician licensed under chapter 677 from perfecting a lien under ORS 87.555.**

**SECTION 6.** The amendments to ORS 87.560 by section 5 of this 2005 Act apply to medical services provided to beneficiaries of insurance policies on or after the effective date of this 2005 Act.

Passed by Senate April 5, 2005

Received by Governor:

Repassed by Senate June 20, 2005

.....M.,....., 2005

Approved:

.....  
Secretary of Senate

.....M.,....., 2005

.....  
President of Senate

.....  
Governor

Passed by House June 15, 2005

Filed in Office of Secretary of State:

.....M.,....., 2005

.....  
Speaker of House

.....  
Secretary of State