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Health insurance rates could go up

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Oregon business owners with between 26 and 50 employees may be surprised the next time they talk to their health insurance broker.

Health plans have overhauled how premiums are figured for such businesses because of a state law that went into effect April 1. As a result, employers with mostly healthy workers will likely pay higher rates.

Health insurance rates for employers with 26-50 workers were largely unregulated previously. The new law -- passed by the 2007 Oregon Legislature -- expands the protections in place for Oregon employers with two to 25 workers and requires the Oregon Insurance Division to approve rates.

The law makes Oregon statutes consistent with federal law.

Now, the unhealthiest groups may pay rates no more than three times higher than the healthiest groups. It also encourages small employers to use wellness programs.

"Although a small number of groups will see fairly large rate increases because of the new law, these increases will apply mostly to employers with very low rates to move them closer to the average," the Oregon Insurance Division said in a letter to insurance companies.

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