



**Testimony Before the
House Health Care Committee regarding HB 4010
Presented by Dr. Mary McCarthy
on behalf of the Oregon Medical Association
February 3, 2012**

Thank you for allowing me to testify today. My name is Dr. Mary McCarthy and I am a member of the Oregon Medical Association Executive Committee. I am a psychiatrist practicing in private practice in Portland. I also do consulting work for the Oregon State Hospital and for the Department of Corrections at a prison in Salem. Two days a month I travel to Tillamook to work at Tillamook Family Counseling Center, the local community mental health center for that community.

HB 4010 mandates insurers to reimburse nurse practitioners at the same rate as physicians for the provision of the same services. The economic advantage of having nurse practitioners is a well recognized value among health care providers; increasing the numbers of nurse practitioners who practice at the top of their license does result in cost savings for the health care system as a whole. However, mandating equal pay will actually increase costs at a time Oregon is seeking to reduce health care expenditures.

Many OMA members work side-by-side with nurse practitioners; indeed, many of our members employ nurse practitioners. They are a valuable part of the health care team and the patient care they provide is important to ensuring access to health care for all Oregonians. Nurse practitioners have expressed a very legitimate concern with the fact that several insurance companies have, without explanation, significantly reduced their reimbursement. We support our nurse practitioner colleagues in their attempts to address this issue. These cuts are unacceptable, and we have attempted to work with them to find a solution.

The OMA, however, is concerned that HB 4010 is not the right solution to this problem. HB 4010 does not take into consideration nor does it attempt to incorporate the ongoing health care transformation efforts in our state. The OMA agrees that the current reimbursement model is broken; however, reform of Oregon's payment system cannot happen in a vacuum. As we've stated before, payment reform should not be carried out in piecemeal fashion. Mandating a payment rate for one group of providers while the Oregon Health Policy Board is encouraging comprehensive payment reform takes the transformation discussion in the wrong direction. Any dialogue about reforming payment and realigning incentives should occur in tandem with health care delivery system reforms and must include input from all physicians and other health care providers.

We are also concerned that HB 4010 will result in insurers cutting the current commercial rates paid to physicians rather than increasing rates paid to nurse practitioners. Nothing in the bill requires that nurse practitioner rates be raised, only that they be the same as the rate paid a physician. The possibility of further cuts on top of the 11.5% Oregon Health Plan rate reductions

in the current biennium will make it even harder for physicians to keep their practices open and viable while maintaining access for Oregonians.

The OMA is concerned that HB 4010 doesn't fully account for the differences between the practices of a physician and a nurse practitioner. Unfortunately, equalizing the reimbursement does not capture the differences in the higher operating costs a physician incurs due to professional liability insurance premiums and licensure. For example, liability premiums for a family practice physician are typically three times more expensive than for a family practice nurse practitioner. Additional consideration should be given for the length and training required to become a practicing physician and to the expertise they bring to patient care. This expertise is gained through 7-9 years of training: 4 years of medical school, 3 years of residency and 2 additional years of fellowship for specialty practice. Physician education, like a nurse practitioner, involves hands on training through residency and fellowship. The additional years of training and experience serve to further invest the physician in their practice of medicine and patient care. Physician expertise is relied upon by patient and other health care providers alike, in part because a physician's extended training lends itself to more complex cases.

The OMA is further concerned that equal reimbursement rates will limit the states recruitment efforts to attract new physicians, and especially psychiatrists, to practice in Oregon. One of the unintended consequences of this legislation that should be explored is the disincentive equal pay may have on students considering a career in medicine. For example, a psychiatric mental health nurse practitioner (PMHNP) who is paid the same as a psychiatrist with only a 2-year postgraduate Master's degree in a specialty field will not lead the college graduate to choose medical school. This further exacerbates the existing physician shortage, continues to limit Oregon's ability to recruit new physicians to the state, and could result in current physicians leaving the state.

The OMA has met with the sponsors of HB 4010 and is interested in continuing to work with the sponsors to find a solution that works for all parties. To that end, the OMA has submitted amendments to Legislative Counsel that is intended to address both parties' concerns and better support the viability of Oregon's healthcare workforce. The OMA amendment seeks to rectify the reimbursement rate reduction initiated by commercial insurance companies by reinstating the reimbursement rate at or above the 2009 rates. This legislation was brought forward with the intent to restore the reimbursement cuts to psychiatric mental health nurse practitioners and primary care nurse practitioners. The current bill seeks to unilaterally increase all nurse practitioner reimbursement rates to 100% of physicians, regardless of specialty or past reimbursement history. This uniform rate increase raises the cost of healthcare, without regard for payment reform or health care transformation savings. Without an amendment such as the one proposed by the OMA, commercial insurers will have the option to lower physician fees and meet the equal pay requirement without achieving the intended goal of the legislation- to restore reimbursement cuts.

Without this amendment, the OMA must oppose HB 4010.

I would like to thank you once again for the opportunity to address the committee regarding this very important topic and I'm happy to answer any questions.