

**America's Health
Insurance Plans**

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MEASURE: HB 2902 A
EXHIBIT: 9
S. HEALTHCARE & HUMAN SERVICES
DATE: 5/13 PAGES: 3
SUBMITTED BY: Elise Brown

May 9, 2013

Senator Laurie Monnes-Anderson
State Senator, District 25
900 Court St, NE S-413
Salem, OR 97301

Senator Jeff Kruse
State Senator, District 1
900 Court St, NE S-315
Salem, OR 97301

RE: House Bill 2902 - Oppose

Dear Senators Monnes-Anderson and Kruse,

I write today on behalf of America's Health Insurance Plans (AHIP) to write in opposition to HB 2902 which would establish reimbursement amounts for Nurse Practitioners and Physician Assistants in parity with payments to licensed physicians and surgeons.

AHIP is the national trade association representing the health insurance industry. AHIP's members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. Our members in Oregon offer a broad range of health insurance products in the commercial marketplace and also have demonstrated a strong commitment to participation in public programs.

While this bill seeks to increase access to health care services by nurse practitioners (NPs) and physician assistants (PAs), it will do so with harmful effect of health care costs beyond reasonable levels for consumers and health insurance premiums. We are concerned with this impact, and oppose this bill for the following reasons:

Different types of health care providers receive different reimbursements based on training and clinical license.

- Physicians, nurses, therapists and other clinicians have vast differences in their training, practice costs and scope of practice.

Medicare Recognizes Clinical Cost Differences Between Physicians and NPs/PAs.

- In recognition of the differences between practitioners, Medicare provides different levels of reimbursement for NPs and PAs than for physicians. Again, the reimbursement methodology used by public programs is based on the entire scope of practice and a recognition of the differences in practice costs that exist between physicians and NPs/PAs.
- Many health plans follow Medicare payment rules to provide consistency for providers in how billing and payment for services is structured.

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Health Care Providers are not paid the same rate, even in a given service area.

- Within a geographic “service area”, health care providers are not all paid the same – there are varied costs for primary care doctors, specialists and other types of ancillary providers (therapists, aids, etc) that are paid according to a contracted rate. Contracted rates vary within a similar practice type as well as not all primary care physicians are paid the same rate. This bill presupposes that all providers in a given class are somehow paid the same rate, which is untrue.

For rural providers, there may be other factors that health plans take into consideration to include such practitioners in the network.

- As we concentrate on improving access to health care services in rural areas, NPs and PAs may fill a vital role and will be reimbursed as patient demand increases in those communities.
- However, the legislature should not promote rate-setting for all NPs and PAs, as varied reimbursement is a product of training, as we noted above, and sometimes supply and demand and network availability.

If health plans are forced to increase payments to NPs or PAs to the levels paid to physicians and surgeons, it will lead to higher premiums with the unintended effect of increasing costs and decreasing affordability. This impairs the beneficial impact of these clinicians, meant to help meet demand at a lower cost, not the same cost.

- If a class of health care providers are mandated to be reimbursed at a higher amount that is currently negotiated in the marketplace, health care costs will increase.
- Premiums are a reflection of the underlying costs of the services provided to patients. If the cost of those services increase, premiums will increase.

These types of bills make it harder for health plans and providers to work together to develop reimbursement that is based on quality not quantity.

- Oregon is transforming the Oregon Health Plan’s delivery system, and moving away from a fee-for-service payment system to a global budget focused on providing more efficient care.
- Individual practitioner reimbursement mandates, such as this, can have a harmful impact on incorporating such clinicians into Coordinated Care Organizations and other integrated health care systems.

And finally, fair reimbursements based on training and expertise is not discriminatory.

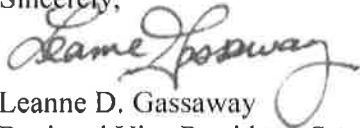
- This is not an “equal pay for equal work” issue. It is about recognizing and paying different types of health care providers even when the procedure code (CPT) is the same. And it recognizes that the training, scope and overall practice costs are different between physicians and non-physician practitioners.

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For these reasons, we must oppose HB 2902 and ask for your "NO" vote.

If you have any questions, please do not hesitate to contact me at lgassaway@ahip.org (562-429-7493) or Elise Brown at ebrown5722@comcast.net (503-970-1235).

Sincerely,

A handwritten signature in cursive script that reads "Leanne D. Gassaway". The signature is written in black ink and is positioned above the typed name.

Leanne D. Gassaway
Regional Vice President, State Advocacy