

**HB 2902**

**Relating to equal pay for health practitioners**

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House Bill 2902 requires insurers to pay equal compensation to nurse practitioners and physician assistants in independent practices. In addition, the bill establishes the 13-member Task Force on Primary and Mental Health Care Reimbursement charged with studying and making recommendations for a payment structure for the reimbursement by insurers of licensed physicians, physician assistants, and certified nurse practitioners. The task force is required to report its findings and recommendations to the regular sessions of the 2014 and 2015 Legislature.

Passage of this bill is anticipated to have minimal fiscal impact on the Department of Consumer and Business Services, the Oregon Health Authority, and Legislative Administration.

The Subcommittee on Human Services recommends HB 2902 be reported out “do pass.”

Joint Committee on Ways and Means

Carrier – Senate: Sen. Monnes Anderson

**Revenue:** No revenue impact

**Fiscal:** Fiscal statement issued

**Action:** Do Pass the B-Engrossed Measure

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Kim To, Legislative Fiscal Office

**Meeting Date:** May 31, 2013

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**WHAT THE MEASURE DOES:** Requires insurers to reimburse physician assistants and nurse practitioners in independent practice at same rate as physicians for same services. Establishes 13-member Task Force on Primary Care Reimbursement Parity. Specifies members, directives and duties. Directs task force to report to 2013 and 2015 Legislative Assembly. Establishes January 2, 2018 sunset date. Adds emergency clause, and specifies January 1, 2014 operative date for contracts renewed or entered into. Defines independent practice.

**ISSUES DISCUSSED:**

- Fiscal impact
- Bill specifies that an insurer may not reduce the reimbursement paid to a licensed physician in order to comply with the requirements of this bill

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** A Certified Nurse Practitioner (NP) is an Advanced Practice Registered Nurse who has completed graduate level education. A Physician Assistant (PA) is a healthcare professional trained to practice medicine as part of a team with a physician. Both NPs and PAs conduct physical exams, diagnose and treat illness, order and interpret tests, prescribe medications and counsel on preventive health care. Proponents assert that reduced reimbursement rates for NPs and PAs have threatened practices that provide primary care services to under-served communities in Oregon.

House Bill 2902-B requires insurers reimburse to NPs and PAs in independent practice for primary care services as physicians when the same services under the same policy are provided.

## FISCAL IMPACT OF PROPOSED LEGISLATION

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office

Measure: HB 2902 - B

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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Prepared by: Kim To  
Reviewed by: Daron Hill, Susie Jordan  
Date: 5/28/2013

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### Measure Description:

Requires insurers to reimburse physician assistants and nurse practitioners in independent practices at same rate as physicians for same services.

### Government Unit(s) Affected:

Legislative Administration, Department of Consumer and Business Services (DCBS), Oregon Health Authority (OHA)

### Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

### Analysis:

House Bill 2902 requires insurers to reimburse nurse practitioners and physician's assistants at the same rate as physicians for the same services according to the customary and usual fee for physicians in the area served. Current law allows health insurers to negotiate rates with physicians and nurse practitioners that can differ based on a provider's licensing, education, degree, credentials, and training. HB 2902 would prohibit this differentiation. The bill:

- Applies to in-network services provided by physician assistants or nurse practitioners under contracts entered into or renewed on or after the effective date of the bill.
- Applies to out-of-network services provided by physician assistants or nurse practitioners on or after the effective date of the bill.
- Stipulates that the reimbursement requirements do not apply to insurers who employ physicians or licensed physician assistants or certified nurse practitioners to provide primary care or mental health services, and who do not compensate these practitioners on a fee-for-service basis.
- Specifies that an insurer may not reduce the reimbursement paid to a licensed physician in order to comply with the requirements of the bill.
- Provides that the parity of pay requirements apply to contracts entered into or renewed on or after January 1, 2014 and before January 1, 2018.
- Removes the pay requirements for licensed physician assistants effective January 2, 2018.

In addition, the bill establishes the 13-member Task Force on Primary and Mental Health Care Reimbursement charged with studying and making recommendations for a payment structure for the reimbursement by insurers of licensed physicians, physician assistants, and certified nurse practitioners. The task force is required to report its findings and recommendations to the regular sessions of the 2014 and 2015 Legislature. The bill contains an emergency clause, and is effective on passage.

### Legislative Administration

At this time, the fiscal impact of this bill on Legislative Administration is indeterminate. The staff of the Committee Services Office of Legislative Administration is directed to provide administrative and technical support to the task force. Although the bill specifies that claims for reimbursements of expenses incurred in performing functions of the task force are to be paid out of funds appropriated to the Legislative Administration Committee for purposes of the task force, the bill does not contain an appropriation. The Legislative Administration budget contains some funding for staffing and production

of reports for interim committees. However, if the cumulative effect of the enactment of other bills exceeds expenditure levels assumed in the Legislative Administration's budget, Legislative Administration may need to seek additional resources.

Department of Consumer and Business Services (DCBS)

Passage of this bill is anticipated to have minimal impact on the Department of Consumer and Business Services. DCBS will use existing staff and resources to review and approve plans.

Oregon Health Authority (OHA)

Passage of this bill is anticipated to have minimal impact on the Oregon Health Authority (OHA). The bill requires OHA representation on the task force. This fiscal assumes that OHA will reprioritize duties and responsibilities of existing staff to allow participation on the task force, and that any resulting work can be absorbed with existing resources.