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HOUSE OF REPRESENTATIVES

HB 4104A – Interim Medical Benefits - Testimony

February 25, 2014

Chair Lee Beyer Senate Business and Transportation Committee
And committee members

Good afternoon and thank you for the opportunity to testify on HB 4104. For the record, I'm Paul Holvey, State Representative District 8. This bill was a result of interim hearings that we had in the House Consumer Protection and Government Efficiency Committee, and then introduced by that Committee. HB 4104A was heard and then passed out of the House Business and Labor Committee earlier this session, and passed the House.

I've been working diligently with stakeholders since November to fix a particular issue that we have become aware of. The issue involves the interim benefit period under a workers compensation claim, which is the period before a determination of compensability is made. It specifically addresses the issue of a person who has health insurance through a health plan and then has filed a workers compensation claim. The problem arises when that worker is waiting for determination from the workers compensation insurance carrier. It oftentimes takes months for a determination and sometimes the worker may lose their health insurance, because they are not working anymore; it expires. And when the workers compensation claim is denied and the worker is no longer covered by the health plan, they often never receive treatment to correct their injury or illness, they don't return to work and fall through the cracks and have to seek assistance for living.

In 2001, SB 485, sponsored by Gene Durler, meant to address this specific issue. Since, we have come to find out that the way the legislation was drafted, didn't address this issue; and the workers were the ones that were losing out on benefits that they should have. A situation that workers should be covered because they have a health plan and workers comp coverage at the time of the injury or illness. At that point it should be just a matter of who pays. In the process of the carriers deciding who pays and waiting for this determination the worker loses out on the treatment they deserve and should be entitled to. This is the problem that is needed to be addressed and is what led us to this particular bill.

HB 4104A essentially expedites the pre-authorization during this interim benefit period by the health plan to get treatment to the injured worker according to the health plan terms, and then they will work out the details with the comp carrier about who pays and how much later. If the workers comp claim is then accepted the comp carrier is then responsible for reimbursing the health plan for the services provided, and possibly the provider and the worker for additional benefits according to the workers compensation fee schedule.



It also is telling of the system failures, that workers will often look at this scenario and say ‘they won’t file a comp claim because they’re not sure that they will get coverage. I’m just going to file under my health plan and get coverage.’ Providers on the other hand are saying that they’re not sure they will be getting paid through a comp claim, arguing that they have no assurance of that, so they really don’t want to file a comp claim. They almost lead the worker to file a claim under the health plan and not under the comp claim, even when it is appropriately a work related injury.

The result of the bill; to clarify this scenario and make sure that workers get treatment is really a win, win, win, win for everyone involved. Insurance companies on the health plan side may actually be covering claims that should be comp claims as a result of the lack of certainty for workers as to whether they will be able to get treatment. Whereas on the workers comp side, which is largely funded by payments through employers, whether the worker will get timely treatment and get the workers back to work sooner and with less time loss. For the providers this proposed change will provide assurance that they will get paid for the treatment services. The last piece is the workers themselves not getting caught in the middle of this uncertainty of who is paying for what, and potentially not receiving treatment until it is all settled out.

On a final note the bill is only focused on this specific issue not the entire workers comp arena. We had Regence, Providence, the Oregon Medical Association, SAIF, the self-insured association, and state agencies all involved in these discussions; and I believe that everybody is in agreement with this bill. HB 4104A with the –A4 amendment can be described as simple, though the nuts and bolts are more complex. It also unanimously passed MLAC last Friday 2/21/2014 with the -4 amendment. The -4 is an amendment, brought forth by Regence and all the stakeholders in agreement, to help the insurance industry make sure their issues of implementation were addressed. SAIF additionally had some last minute concerns about some obsolete and ambiguous language; and it was agreed to remove the language in the –A4 amendment. It’s my opinion that these last issues were the reason for the no votes on the house floor. There was still a sense that there were a couple of language tweaks that needed to happen, though all the stake holders agreed with the concept.

I urge you to support this legislation and help fix this situation that has been persisting since 2001, inconsistent with the original intent of SB 485 in 2001.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Paul". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Paul Holvey
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District 8