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To: House Health Care Committee

From: Dr. Pam deCalesta, Optometric Physician, Eugene, OR

RE: HB 2299

Chair Greenlick, members of the committee, my name is Dr. Pam deCalesta. My husband and I are both optometric physicians and we own a three-office practice in Eugene that employs 65 fellow Oregonians. As small business owners, we are very concerned that our patients, and our company, continue to be negatively impacted by the escalating trends of national insurance companies to 1) mandate use of their own optical labs for processing of spectacle orders and 2) dictate further discounts on goods and services not covered by their plans. Therefore, I ask the members of this committee to support HB 2299.

First, a brief explanation. When a patient orders a pair of glasses or spectacles, the lenses must be fabricated to match the doctor's written prescription and cut to fit the patient's frame. Eye care providers have the option of completing this process themselves (in-house) or sending out the frame and prescription to a separate optical laboratory (out-of-house). Our company has proudly maintained an in-house lab for 35 years, allowing us to offer our patients the highest quality recommended materials within a reasonable time frame. We pride ourselves on customer service and on putting the needs of our patient first. National insurance companies are increasingly requiring that we send our lens jobs out-of-house, and often out of the State of Oregon, to their own labs - impacting our ability to provide the level of service our patients have come to expect.

A recent review of our records shows that in 2004 about 30% of spectacle jobs covered by one of our major insurance carriers were processed out-of-house. In 2014, that number was almost 70%, which is more than double - this is impacting more and more of our patients every year.

### **Impact on Oregonians as Patients**

- **Patient Choice of Materials:** A common scenario is that a national insurance company dictates a specific laboratory must be used. The type of lens that the patient prefers or that the doctor prescribes is not available from that lab. If a patient wants to use their benefits, they often must choose between the national insurance companies own brands or within the brands that they provide - severely limiting patient choice. Additionally, lack of choice means that the doctor does not have the ability to recommend materials based on quality and patient visual needs - the "choices" are dictated by the insurance company.

- **Time:** Our patients are waiting far longer than necessary to receive their glasses when their national insurance plan dictates the lab required for fabrication. For many spectacle orders, our own in-house lab can often process within one day. In our experience, it can take five days or more to send out a job to the requisite insurance lab. Imagine the impact waiting five days has on a patient who breaks or loses their glasses and needs them to drive to work. This is increasingly incompatible with our company mission and community reputation of excellent customer service.

**HB 2299 will protect the patient's right to choose their preferred materials and receive their glasses within a reasonable amount of time.**

### **Impact on Oregon Employees and Small Businesses**

- **Loss of Local Jobs within a Small Business:** Our Oregon small business currently employs five full-time lab employees and additional part-time employees. If the trend of national insurance companies dictating choice of optical labs continues, it may diminish our lab work to the point of reducing or completely eliminating lab employees - we may have to lay off Oregon workers.

In addition, national insurance providers are dictating that Oregon small businesses take required discounts on goods and services that are not covered by the insurer. As the number of patients with national insurance plans continues to increase, the use of company-dictated optical labs and mandated additional discounts, slowly erodes the ability of small optometric businesses in Oregon, to thrive, and in some cases survive. This means a loss of good paying jobs for hard working Oregonians. With HB 2299, we are simply asking that national insurance plans are not allowed to dictate how we structure our private small business in regards to items that they do not cover.

- **Sending Oregon Jobs Out-of-State:** Certain national insurance companies dictate that spectacle jobs can only be sent to their wholly owned lab, which is located outside of Oregon. This forces skilled work, that could easily be done by Oregon workers, to be shipped to another state. In our practice, at least 40% of insurance company-dictated jobs must be sent out of the state, and the number is growing every year.

**HB 2299 will protect Oregon small businesses and keep skilled jobs in Oregon.**

The Oregon Optometric Physicians Association put forth this bill to ensure that the citizens of Oregon have choices regarding their visual needs. In addition, it will allow Oregon small businesses to thrive in a free marketplace and provide quality jobs for Oregonians. I respectfully request your support for HB 2299.

Thank you for the opportunity to provide this testimony. I would be pleased to answer additional questions at this time.