

Dear Chair Greenlick and Honorable Members of the House Committee on Health Care

I write to you in support of HB 3018, scheduled for hearing on Wednesday, March 18, and to express my appreciation for your consideration of this proposed legislation.

The purpose of this legislation is to support insured individuals who make a personal choice to be served in their communities by a physician that is not part of an insurance company "preferred provider network" and, because of this choice, such individuals now routinely pay a higher cost for covered services. Passage of HB 3018 will prohibit insurers from imposing a higher coinsurance percentage, higher deductibles and higher out-of-pocket maximums on any covered service provided by a physician who is not part of a preferred provider network.

HB 3018 is a bill that will bring more access, choice and affordability in the delivery of health care throughout Oregon. We all choose our physicians for a variety of reasons-- access, affordability, familiarity, experience, etc. This legislation will end the pricing discrimination that now occurs when individuals choose to get health care, for whatever reason, from a physician who is not a member of a preferred provider network. Today, making this choice has significant financial consequences for the insured. In many rural Oregon communities there is now limited access to physicians and finding one that is willing to be part of preferred provider network further complicates choice and access for individuals. Ironically, there is ample evidence that "out of network:" physician charges are frequently lower than those of physicians in preferred provider networks for similar services, consequently, this legislation would result in savings for both the insured and the insurer.

It is important to note that the proposed legislation acknowledges some increased insurer costs for processing a claim from an out-of-network provider and permits an insurer to charge a reasonable fee for such processing, Similarly, an out-of-network provider is permitted to charge an insured a reasonable fee for helping an insured submit a claim. Based on the language proposed in HB 3018, the legislation should not significantly impact either the profitability or sustainability of health insurers in this state.

As a former Oregon Insurance Commissioner, it is my belief that HB 3018 will enhance health care access, affordability and choice, all goals that have historically been an expressed priority of the legislature. For these reasons, I urge you to support this proposed legislation and thank you again for your consideration. If I can be of any help to the Committee, please do not hesitate to call on me.

With Respect,

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