



HB3018 Hearing

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Introduction



- Kathleen M. Brown, MD
- Board certified Internal Medicine and Dermatology
- Former Assistant Professor Johns Hopkins
- In Practice – 1995, Oregon 17 years
- Oregon Coast Dermatology – 3.5 years
 - Transparent pricing
 - High quality, customized care for a reasonable fee
 - Thriving

HB3018

Bill is two complementary parts:

1. Divided Benefits— false choices
2. Protection of current legal out of network choice

78th OREGON LEGISLATIVE ASSEMBLY—2015 Regular Session

House Bill 3018

Sponsored by Representative MCKEOWN, Senator ROELAN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Prohibits insurer from imposing cost sharing or similar requirements for services provided by out-of-network providers that are greater than requirements for services provided by in-network providers. Specifies exceptions.

Prohibits state agency and insurer from preventing person from paying for person's own medical care, requiring physician to contract with insurer or state medical assistance program or requiring physician to provide medical care.

A BILL FOR AN ACT

1 Relating to health care.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1.** Section 2 of this 2015 Act is added to and made a part of the Insurance Code.

4 **SECTION 2.** (1) As used in this section, "preferred provider organization insurance" has
5 the meaning given that term in ORS 743.801.

6 (2) Notwithstanding any other provision of law, a policy of preferred provider organiza-
7 tion insurance may not impose, with respect to a covered service performed by a provider
8 that does not participate in the preferred provider network, a coinsurance percentage,
9 deductible or out-of-pocket maximum that is greater than the coinsurance percentage,
10 deductible or out-of-pocket maximum applicable to the service if performed by a provider
11 that participates in the preferred provider network.

12 (3) This section does not prohibit:

13 (a) An insurer from charging a fee for processing a claim from a nonparticipating pro-
14 vider, if the fee is specified in the policy or certificate of insurance and the fee is the lesser
15 of:

16 (A) Five percent of the allowed amount for the service; and

17 (B) A fee prescribed by the Department of Consumer and Business Services in accord-
18 ance with subsection (4) of this section; or

19 (b) A nonparticipating provider from charging an enrollee a reasonable fee for assisting
20 the enrollee in submitting a claim under a policy of preferred provider organization insur-
21 ance.

22 (4) The department shall prescribe by rule the maximum fee that may be charged to an
23 enrollee for processing a claim from a nonparticipating provider.

24 **SECTION 3.** (1) As used in this section:

25 (a) "Health insurance" has the meaning given that term in ORS 731.162.

26 (b) "Insurer" has the meaning given that term in ORS 731.106.

27 (c) "Medical assistance" has the meaning given that term in ORS 414.025.

28 (d) "Physician" has the meaning given that term in ORS 677.010.

29
NOTE: Matter in boldfaced type in an amended section is new; matter *italic and bracketed* is existing law to be omitted.
New sections are in boldfaced type.

LC 2901

WHY OUT-OF-NETWORK ?

1. WHY PATIENTS CHOOSE OUT-OF-NETWORK CARE

WHY CHOOSE OUT-OF-NETWORK

ACCESS TO CARE

- Desired care may be unavailable in-network
- Access to timely care may not be available in-network.
- **OHP Story (Melanoma)**

PERSONAL CHOICE

- Consumers may prefer a physician or facility that is out-of-network.
- **Medicare Story**

AFFORDABILITY

- patients have the right to seek a better price.
- **Peter Story**

TRAVEL

- Patients may be forced into out-of-network situations due to travel.

QUALITY

- sometimes the best quality is found out-of-network
- **3 visit story**

1. DIVIDED BENEFITS

2. DIVIDED BENEFITS

DIVIDED BENEFITS

Previous PPO insurance model.

Percentages of all dollars spent were applied to a single deductible.

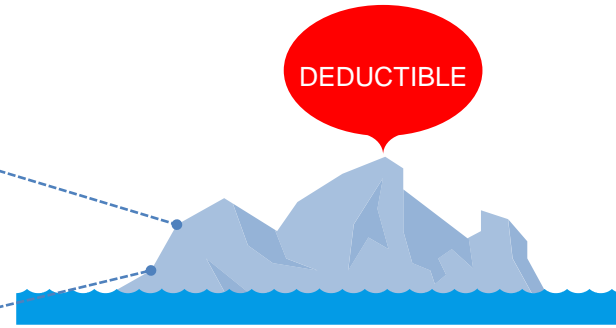
IN-NETWORK DOLLARS SPENT

WHAT PATIENTS ARE USED TO

DOLLARS SPENT IN-NETWORK CONTRIBUTE
TO THIS DEDUCTIBLE

OUT-OF-NETWORK DOLLARS SPENT

A PERCENTAGE WAS APPLIED TO OVERALL
DEDUCTIBLE



DIVIDED DEDUCTIBLES

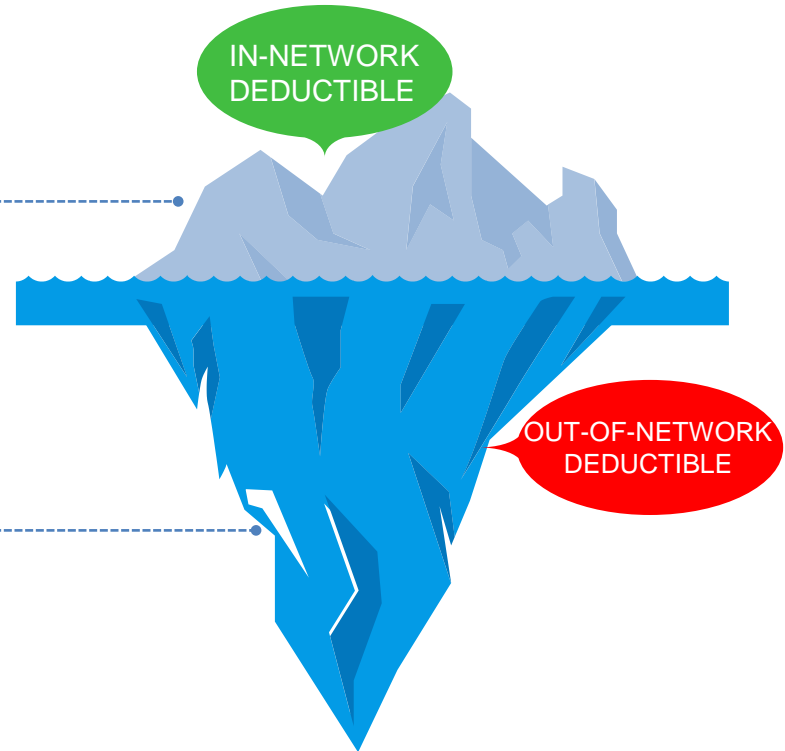
Essentially, these new insurance plans are actually two separate side-by-side plans. Constructed in such a manner as to give the illusion of patient choice, but in fact creating a false choice.

IN-NETWORK DEDUCTIBLES

WHAT PATIENTS ARE USED TO
ONLY DOLLARS SPENT IN-NETWORK
CONTRIBUTE TO THIS DEDUCTIBLE

OUT-OF-NETWORK DEDUCTIBLES

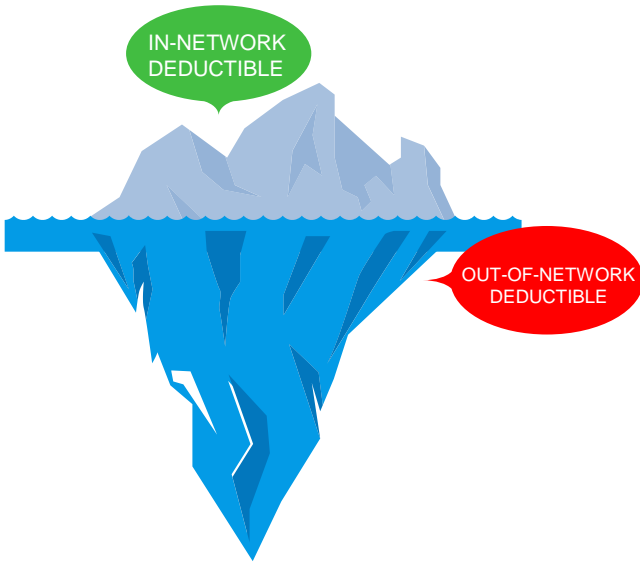
NEW – OFTEN A FACTOR MUCH LARGER THAN IN-NETWORK
DOLLARS SPENT OUT-OF-NETWORK ONLY APPLY TO THIS SEPARATE AMOUNT. CREATES A HUGE DISINCENTIVE TO GO OUT-OF-NETWORK.



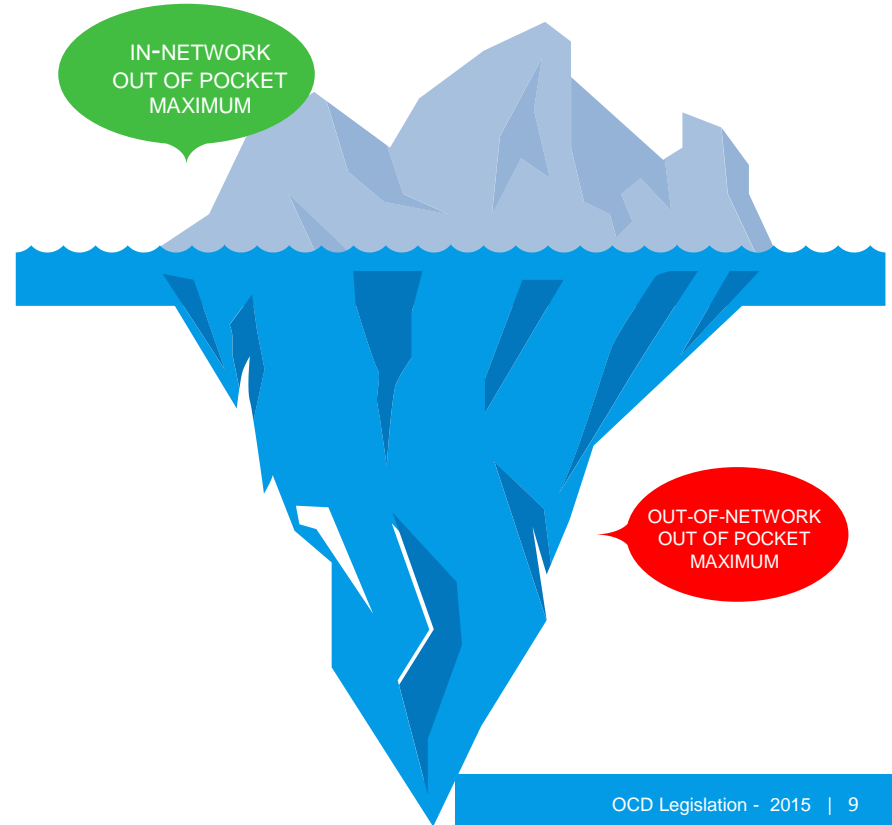
DIVIDED

Out of pocket maximum

Deductible



Out of Pocket Maximum



PROBLEMS WITH DUAL DEDUCTIBLES

FALSE CHOICE

Out-of-network becomes so expensive only the wealthiest patients can use it. It is not a viable choice for most consumers.

CONFUSION

Consumers and doctors offices are often confused about in/out network status. This leads to expensive mistakes.

COSTS

Costs patients much more money. Ultimately most consumers who try to use a mix of in and out of network care wind up with no possibility of meeting either deductible.

DISCRIMINATION

Large cities have broader networks. This makes it easier for consumers to find in-network-care. In rural areas, out-of-network care is often their only choice. This directly discriminates against rural consumers.

KILLS COMPETITION

Decreases real competition.

Concentrated out-of-network patient population, wanted to see if it resonated outside of my practice. Wanted to see if this was a larger problem.

FACEBOOK FAN PAGE

2/1/2015

REACH

number of people who were served any activity from your Page including your posts, posts to your Page by other people, Page like ads, mentions and checkins..

25,845

FANS

The number of times that the Page was liked.

1,582

ENGAGEMENT

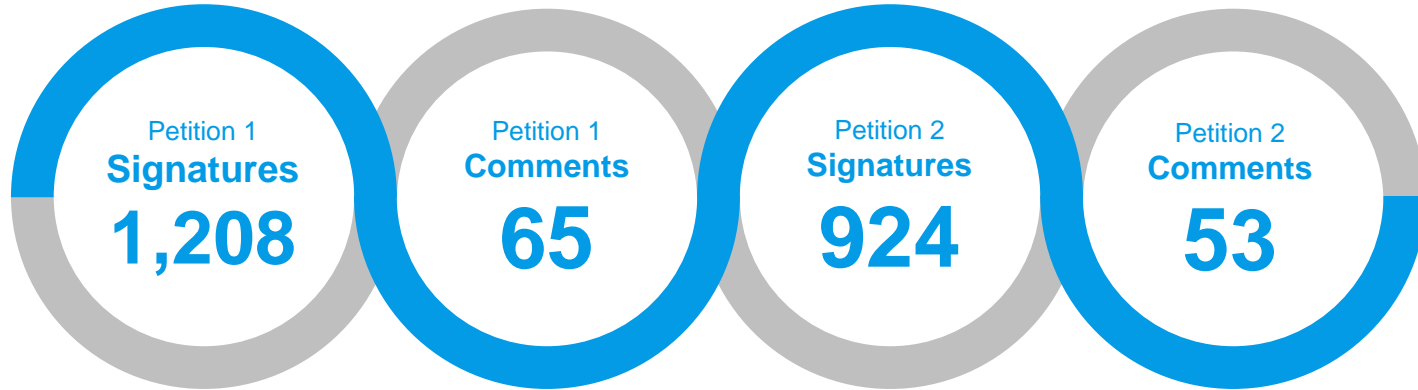
The unique number of people who liked, commented, clicked, or shared on this page.

630

3/06/2015

PETITIONS

TOTALS Feb 1- March 6



TOTAL SIGNATURES – 2,132

TOTAL COMMENTS – 118

Tuesday February 17th 24 local Physicians, Health Care professionals, and community members discuss HB3018

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Selected Consumer Comments

“I support patients rights to use/choose out of network health care without “financial punishment from the insurance companies.”

L. Barrington, Coos Bay OR

“There are often very good reasons to choose an out of plan provider, especially in smaller communities where health care options are limited.”

M. Garman, Langlois OR

“Even though you ask if they are in network, the employee sometimes do not understand the difference and they think because they bill that insurance it is the same thing. I ended up paying almost 80% for my new knee.”

K. Vaughn, Coos Bay OR

Quotes

“I am a psychiatrist in private practice. Separate deductibles for out of network care creates a barrier to care with me at a time when patients must wait months for appointments with in-network psychiatrists.”

Dr. R. Emmons, Burlington VT

“Patients should have the right to choose the medical professionals they trust and with whom they may have had prior treatment without being financially penalized.”

D. Hamill, Westlake OR

“I think insurance companies are out of control.”

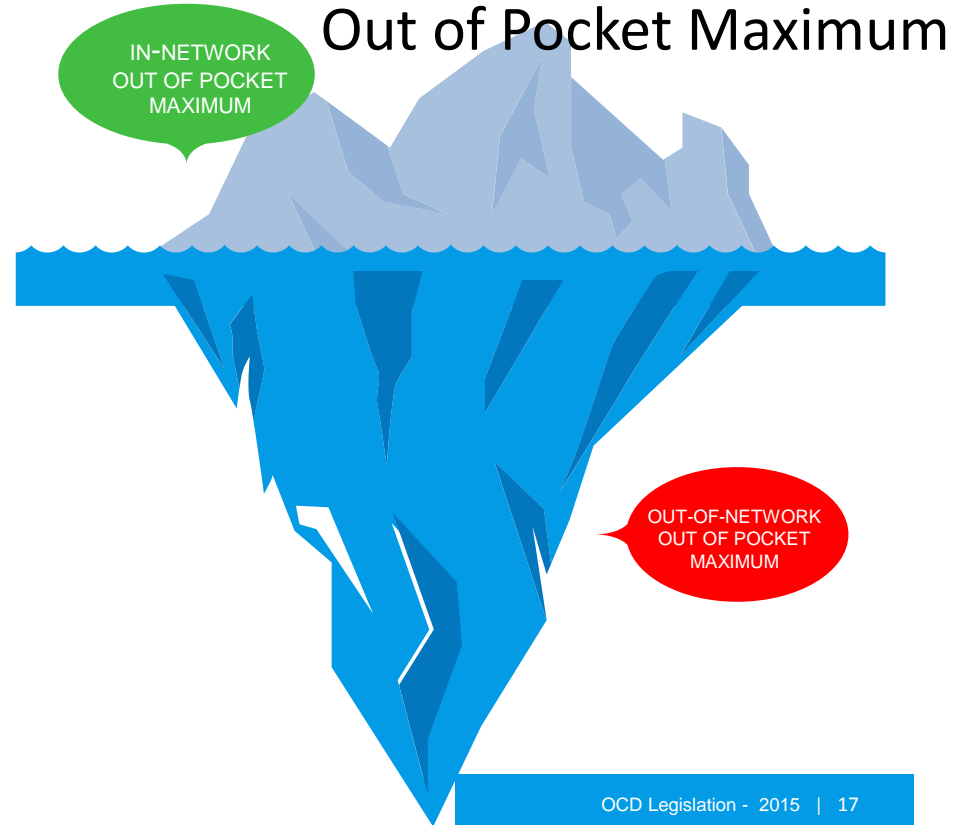
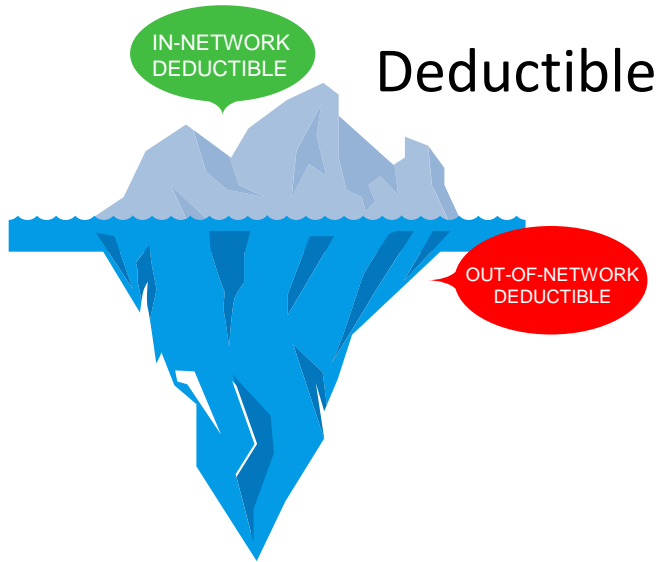
C. Bohanan, Coos Bay, OR

“...Insurance companies have way too much say in who and where I can seek medical services...”

S. Amlin, Madras OR

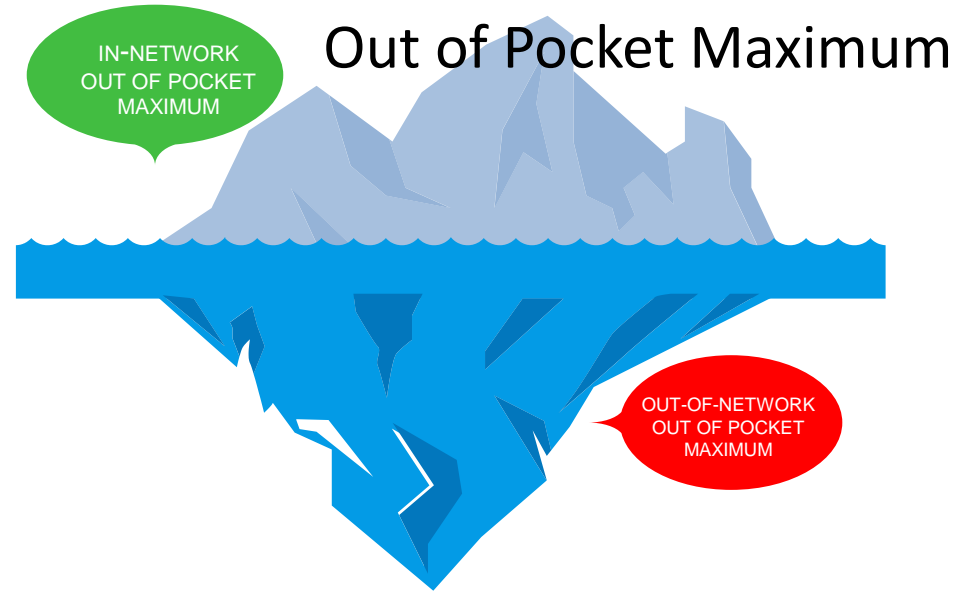
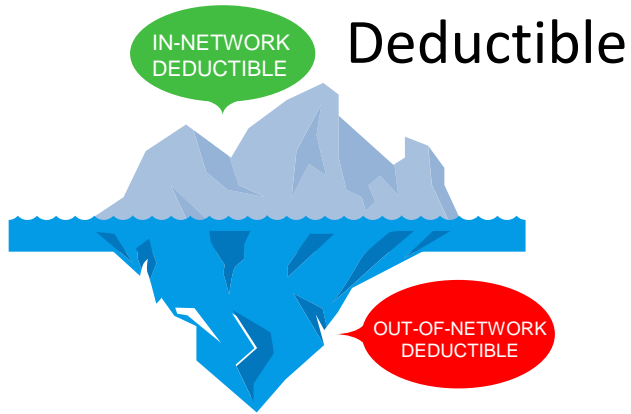
BILL
ACCOMPLISHES

CURRENT EXAMPLE OF IN-NETWORK AND
OUT-OF-NETWORK ALLOCATIONS



BILL
ACCOMPLISHES

EQUALIZATION OF IN-NETWORK AND OUT-OF-
NETWORK ALLOCATIONS



3. PROTECT THE RIGHT TO CHOOSE OUT-OF- NETWORK

2. Freedom of out-of-network choice

1. No Oregon statute or regulation shall forbid *patients* from using their own financial resources to pay for medical care.
2. No Oregon statute or regulation or licensing rule shall require any *physician* to participate in, or contract with, any health insurance company or governmental health care payer, to any extent. Neither shall any Oregon statute or regulation require a doctor to work.

Freedom of out-of-network choice

- This bill does one thing and one thing only: it ensures that whatever changes are made to our health insurance system in the future, individuals and families will still have the right to make basic and essential decisions about their own medical care, including paying for them directly, if they need to.
- It will allow doctors to continue to work directly for patients, and not be beholden to government programs and health insurance companies, if they so choose.
- This bill does not make anything legal that is now illegal; rather, it safeguards rights that we have today, but are in danger of losing.

Trending

- Arizona
- South Dakota
- Requests from other states

Quotes

“Since it is now the law that one must carry health insurance, then one should have the right to choose one’s physician in or out of network. Let’s at least pretend we still live in a free country.”

J. Silverson, Coos Bay OR

“No insurance company should be allowed to choose which doctor we see, or punish us for making our own choice.”

A. ECK, Somerset, NJ

“In network providers have a reduced incentive to compete and improve once in the insurance plan network. Competition is reduced, quality of service suffers.”

K. Stack, Liverpool, NY

Objections

Insurance companies may say:

1. This will raise our costs
2. We won't be able to control quality
3. Will not be able to control utilization
4. Takes away negotiation leverage