



PacificSource Testimony in Opposition to SB 523

Chair Monnes-Anderson, Vice-Chair Kruse and members of the Senate Health Committee, thank you for the opportunity to provide comment on SB 523. PacificSource is an independent, not for profit health plan, based in Oregon. We serve commercial, Medicaid and Medicare lives and are the contracted Coordinated Care Organization (CCO) in Central Oregon and the Columbia River Gorge. We are committed to ensuring our Members have access to high-quality and affordable healthcare services.

Background

As part of the passage of the Affordable Care Act (ACA), consumers are allowed a 90-day grace period to pay their outstanding premiums before insurers are permitted to drop their coverage. The rule applies to all consumers who purchase subsidized coverage through the ACA's health insurance marketplace. Insurers are required to notify providers when a member is in the grace period and to reimburse them for services provided during the first 30 days. If a consumer does not make a payment after 90 days and their coverage is dropped, insurers will not be required to pay for claims incurred during the last 60 days of the grace period (with some variation based on state laws). If coverage is dropped for nonpayment, physicians must work directly with patients to collect payments for the balance incurred during days 31-90.

While we understand the underlying concern for the potential of non-payment for services rendered, our opposition to SB 523 and related amendments is based on the following:

- Insurers cannot be expected to bear the responsibility of providing payment for services when no premium is collected from the member. Shifting this cost onto insurers will result in driving up the over-all cost of premiums for Oregonians.
- We believe that ultimately, it is inappropriate for health insurers to be *required* to share what amounts to a member's private financial information, beyond the initial notification that is required by law.

Complying with the extensive regulatory requirements under the ACA is a demanding undertaking for insurers, providers and employers alike and with it, comes both risks and rewards. We appreciate the concern that the 90 day grace period raises for our provider partners, but we do not believe that SB 523 suggests a solution that is in the best interest of Oregonians

We urge the committee to vote No on the bill.

Sincerely,

Marian Blankenship,
Vice-President, Government and Community Relations, PacificSource

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