



OREGON  
*Alliance*  
of Children's Programs

House Health Committee  
SUPPORTING - SB 901

4 May 2015

I am Janet Arenz, Executive Director of the Oregon Alliance of Children's Programs. We are a statewide nonprofit organization representing 45 providers, who deliver \$223 million in services to over 100,000 children each year. Additionally, these providers employ 5500 individuals, with \$152 million in annual payroll.

Our members routinely have trouble securing reimbursement for services delivered when payments are made directly to clients.

Three quick examples from this morning:

- In Eugene, a provider routinely loses \$40-60,000 each year.
- In Medford, our member currently has \$16,000 outstanding in reimbursement owed by clients that they cannot collect from the insurance company. Some months are worse than others, but over this last year they have written off thousands of dollars in loss.
- In Corvallis, one provider has lost \$25,000 over the last four years.

These lost reimbursement dollars result when payments are made directly to the policy holder or when the insurance company is a third party administrator of benefits.

None of the non-payments are a result of providers failing to deliver services or failing to submit accurate, timely requests for reimbursement.

All of the non-payments are the result of insurer policies that will not send funds directly to the service provider.

You have already heard many examples of circumstances where the named insured client either doesn't understand what the check is for, or deliberately refuses to use it to pay for services.

When the relationship is between a provider and child, which is most of our circumstances, it becomes even more challenging to recover reimbursements for services when a non-client receives the insurance payment.

We urge you to support SB 901 and to amend its effective date to July 1, 2015 with an emergency clause.

Thank you!

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