



# INSURANCE DIVISION

## MEMORANDUM

December 3, 2015

To: Task Force on Primary Care and Mental Health Reimbursement

From: Cliff Nolen, Chief Market Analyst

Subject: Insurer Compliance with HB 2902

**SUMMARY:** The Insurance Division was asked by the Task Force on Primary Care and Mental Health Reimbursement to undertake a survey of Oregon's major health insurers. The purpose of the survey was to gauge insurance industry compliance with House Bill 2902, enacted by the 2013 Oregon legislature.

Responses were requested from 13 insurers, including the two cooperatives operating in Oregon. The insurers were asked to verify their company's compliance with House Bill 2902, now placed in statute as ORS 743A.036. The insurers were asked to provide an explanation of how their company complied with this law, and to forward any accessible supporting information guiding the insurers' compliance. In addition, insurers were asked to describe any difficulties in implementing compliance with the law.

All the insurers contacted did attest to their compliance with the requirements of ORS 743A.036. Several insurers surveyed only commenced issuing coverage in 2014, and those entities report that they incorporated the new requirements without difficulty. Another insurer, Kaiser, reported that they are exempt from the law's requirements per subsection (3) of the statute as they do not compensate such practitioners on a fee-for-service basis.

Of the remaining insurers surveyed, most made corrections in their claims system programming, and also revised written internal policies and procedures to reflect changes in reimbursement for physician assistants and nurse practitioners. In a few cases, insurers were already paying these providers for equivalent primary and mental health care as mandated by the law, and no adjustments were necessary. At least two insurers revised provider contracts with psychiatric nurse practitioners to facilitate compliance.

The Division also inquired as to difficulties found by insurers in complying with the new law, and only one insurer responded. That insurer's difficulty concerned differentiating those

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providers in “independent practice” from those who were not. Four of the insurers did specify that their compliance was specific to those providers in “independent practice”.

**CONCLUSION:** Based on the results of this survey, the relative lack of difficulty reported by insurers in complying, and the lack of complaints from providers, all indications are that this law has been implemented successfully at this time.

It is noted that the one area of “difficulty” was differentiating providers in “independent practice”. Since the survey was completed earlier in 2015, Senate Bill 153 was passed to provide clarification for the purpose of insurance reimbursement for services provided by a licensed physician assistant or certified nurse practitioner. It is hoped that this will simplify the ongoing implementation and compliance with this law.