



May 18, 2017

To: Senate Committee on Health Care  
From: Brian Mitchell, President  
Oregon Society of Anesthesiologists  
Re: HB 2339A

Chair Monnes Anderson and Members of the Senate Committee on Health Care,

Thank you for allowing me the opportunity to submit testimony. I am the President of the Oregon Society of Anesthesiologists (OSA), a group of over 600 physicians who are working to uphold the highest standards of anesthesia care and patient advocacy by promoting patient safety, research, education, and innovation in anesthesia care.

**I am writing to express the OSA's opposition to HB 2339A, as currently written, which ties reimbursement rates for out-of-network physicians to 175% of Medicare for non-emergency services and to a "Greatest of Three" rule for emergency services.**

While the OSA agrees that patients should be held harmless from costly, unexpected, out-of-network care, the OSA does not agree to the proposed reimbursement schedule outlined in HB 2339A.

There are several problems with this bill in its current form. First, **Medicare rates are political, and do not reflect actual market costs.** Medicare was designed as a backstop for the disabled and the elderly, and it fails to cover every kind of service. Additionally, Medicare rates, especially in Oregon, and especially for anesthesiology, are notoriously low. Medicare reimburses anesthesiologists roughly 33 cents on the dollar, compared to commercial insurance. **This proposal would result in a nearly 60% pay cut for anesthesiologists and nurse anesthetists.** **Such a steep pay cut will result in anesthesiologists, nurse anesthetists, and other providers leaving the state, in search of a reasonable reimbursement schedule.** Insurers are not required to pass these savings through to consumers.

It is also important to note that insurers have been systematically narrowing their networks since the implementation of the Affordable Care Act. Most physicians desire to be in network, but many are turned away by insurance companies who are attempting to further narrow their networks. Additionally, a physician can be in-network for nearly every insurance plan, but could be out-of-network for one plan—or, merely one *tier* of any given plan.



Additionally, there are problems with the “Greatest of Three” rule, which is proposed in the current bill for reimbursement of emergency services. Since insurers’ contracts are negotiated privately, it is impossible for physicians to know the rates negotiated with other physicians. There are significant problems with transparency, and emergency room physicians are currently engaged in litigation over this language at the national level.

**Tying the out-of-network reimbursement rate to such a low schedule will only incentivize insurers to further narrow their plans**, an attempt to save their bottom line. This will exacerbate patient access issues, especially in rural Oregon. Additionally, **it will become increasingly difficult to fill emergency call panels as providers flock to other states with a much more reasonable reimbursement schedule.**

This bill needs more work, potentially in a workgroup setting. I am confident that we can find a reimbursement schedule that is fair for all parties, which HB 2339A currently fails to do. **The Oregon Society of Anesthesiologists urges you to oppose this bill in its current form.**

Regards,

A handwritten signature in black ink, appearing to be the name "Brian Mitchell". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Brian Mitchell  
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Oregon Society of Anesthesiologists  
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