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House Health Care Committee

HB 2398

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Mr. Chair, members of the House Health Committee, thank you for the opportunity to testify on HB 2398, concerning improper billing of Oregon Health Plan (OHP) participants.

We provided written testimony as background to a brief discussion at the January 2016 House Health Interim Committee meeting. Testimony from Beth Englander of the Oregon Law Center included the following:

*Legal Aid Services of Oregon and the Oregon Law Center have been working for years with clients who have OHP coverage when they receive medical or dental treatment, but who still get billed by their provider. Despite the fact that federal and state Medicaid law prohibits this<sup>1</sup>, OHP clients are unable to stop the billing, which goes very quickly to collections agencies, and regularly results in OHP clients being harassed by collections agencies, forced into court, and ordered to pay a large medical debt that is financially devastating for them.*

While we have made some progress working with the Oregon Health Authority (OHA), and the agency has added a process to investigate when clients complain they have been billed for OHP covered services, the problem still persists. It shows up most often for OHP clients in open card/fee-for-services situations. According to recent reports from OHA, there are 357 current cases related to billing. This ongoing problem is why we have worked on HB 2398, as we continue to be concerned. The process set up by OHA is not a fix for the issue. Once the debt has gone to

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<sup>1</sup> Federal Medicaid law requires that Medicaid providers are limited to accepting the amounts paid by the agency for Medicaid services as "payment in full" and cannot charge clients additional amounts for Medicaid services. 42 USC 1396a(a)(25), 42 CFR §447.15. Oregon Administrative Rule 410-120-1280 (1) states that " A provider enrolled with the Authority or providing services to a client in a CCO or PHP under the Oregon Health Plan (OHP) may not seek payment from the client for any services covered by Medicaid fee-for-service or through contracted health care plans:"

collections or small claims court leading to a judgement, it is extremely difficult for OHP clients to unravel this problem. Their credit record is affected, their ability to rent an apartment is hurt by their credit record, and they may be afraid to seek medical care in the future for fear that this will happen again. In our view, this improper billing should never happen, and we have formulated ways in which better safeguards can be put in place.

Specifically, HB 2398 would make two major changes:

- Providers would verify OHP status before billing;
- For any claim submitted to OHA or a Coordinated Care Organizations, providers must wait 90 days before sending the bill to collections.

OHA would issue rules based on HB 2398, and would report back to the Legislature on progress by September of 2018. We are committed to working with OHA to resolve these billing problems, and we ask for your support of HB 2398.

Thank you for your consideration.