



January 18, 2018

Richard Y. Blackwell

Policy Manager

Division of Financial Regulation

Oregon Dept. of Consumer & Business Services

350 Winter Street NE

P.O. Box 14480

Salem, OR 97309-0405

Re: HB 2339

Dear Mr. Blackwell,

CEP America is one of the leading providers of acute care management and staffing solutions in the nation. Founded in 1975, we now serve more than 6.3 million patients annually with over 250 practices throughout the United States. In Oregon, CEP America provides over 140,000 patient encounters a year. CEP America is an integrated team of emergency medicine, hospital medicine, anesthesiology, urgent care, psychiatry, neurology and post-acute care physicians committed to caring for patients with acute medical conditions.

Much of the care that is provided by CEP America is through the emergency care safety net. Under federal statutes, emergency care is provided to anyone regardless of the patient's ability to pay for service. In order for us to achieve our mission and to preserve access to

emergency care, emergency providers must receive fair compensation for services by health plans. Otherwise, CEP America would not be able to recruit or retain physicians particularly in rural areas and areas with a high prevalence of uncompensated or undercompensated care.

Balance billing occurs when health plans do not adequately compensate providers for out-of-network services. If a health plan provides adequate compensation for services, then balance billing would not be necessary. Some health plans intentionally provide narrow networks so that patients are likely to require out-of-network service with reduced out-of-network coverage. By doing so, the cost of providing care is shifted to the patient and providers. In many cases, patients are unable to afford the cost sharing requirements for unexpected medical care which places a financial burden on providers. On average, CEP America is only able to collect a little over half of the patient's cost share for emergency care.

CEP America makes every effort to try and contract with health plans. In fact, only about one percent of all emergency care visits provided by CEP America are for out-of-network services. In a small percentage of cases, if health plans do not offer reasonable rates for contracting, CEP America is forced to be out-of-network. That changed following the passage of HB 2339. With the prohibition on balance billing, there is no incentive for health plans to contract with emergency providers or offer reasonable contract rates -- unless they are also held to an adequate payment standard for out-of-network services. Based on our experience, without a payment standard, health plans use the balance billing prohibition to unilaterally lower reimbursement with those providers who have no legal or ethical choice but to care for the payer's beneficiaries who come to the hospital.

As an example, CEP America has been contracted with a large health plan in Oregon at a reasonably discounted rate. Following the passage of HB 2339, the health plan attempted to renegotiate a rate that was 25% lower than CEP America's existing contracted rate. The health plan specifically cited HB 2339 as the reason for reducing the contracted rates. Since there is no payment standard established for out-of-network service, the health plan was able to make unreasonable demands for contracted rates. Although HB 2339 was passed to ban balance billing for out-of-network service, the consequences of not having an adequate payment standard will be inadequate payments for both in-network and out-of-network services.

CEP America would like to urge the Department of Consumer and Business services as well as legislators to establish an adequate payment standard before the implementation of HB 2339. Imagine what it would be like if a hospital is not able to staff a hospital with qualified emergency physicians, hospitalists, radiologists, anesthesiologists and on-call specialists. Emergency providers are there 24 hours a day, 365 days a year to help patients in times of crisis. Please help us preserve the emergency care safety net.

Sincerely yours,

Bing Pao, M.D.

Director of Provider Relations

CEP America

CC: Tina Edlund, Office of Governor Kate Brown

Victoria Demchak, Office of Governor Kate Brown

Drew Johnston, Office of Governor Kate Brown