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Oregon Chapter, American College of Emergency Physicians (O.C.E.P)

Testimony before the Senate Health Care Committee

February 12, 2018

Informational Hearing on Balance Billing

Chair Monnes Anderson and members of the committee, my name is Dr. Chris Strear and I'm here today representing OR-ACEP, the Oregon Chapter of the American College of Emergency Physicians. OR-ACEP is a medical society that has represented physicians specializing in emergency medicine since 1971 and its members share a commitment to improve emergency healthcare for all Oregonians.

I am here today to request immediate action to establish a minimum benefit standard to adequately reimburse providers for unexpected out-of-network emergency care. Without a standard, emergency providers would be compelled to negotiate claims with insurers on an individual basis and accept below-market rates for care, or go to court over every individual claim once the ban on balance billing is implemented on March 1, 2018.

While this is a hassle, the more urgent issue is that some insurers are using HB 2339 as a mechanism to set or reduce reimbursement rates in-network as well as out-of-network providers, thereby leveraging what is supposed to be a protective consumer measure as a vehicle to extract lower rates from providers and undermining fair negotiations. California Emergency Physicians, which has members in Oregon, as just one example, has had a major insurer attempt to renegotiate their existing contracted rate by lowering it 25 percent — and they cited HB 2339, as their basis for that action. Lack of a fair payment standard puts providers at a significant disadvantage in all contract negotiations and defies the intent of the bill — which was to take patients out of the middle, not to cut provider reimbursement for patient care.

Emergency physicians in Oregon – as required by federal law -- provide most of the medical care to the uninsured, and two-thirds of Medicaid acute care in emergency departments. Due to this, they have little-to-no operating margins and cannot significantly discount their commercial rates. If there is no minimum payment standard in place when the ban on balance billing goes into effect on March 1, the emergency department safety net in Oregon could very well be destabilized – especially in rural areas — if fewer specialists are willing to accept emergency call, and emergency room providers are unwilling to remain in their current jobs.

OR-ACEP supported HB 2339, which created an interim workgroup to determine reimbursement rates for balance billing and to take the burden off patients. DCBS and the workgroup has made significant progress in setting APAC as the benchmark, using commercial in-network rates, however we can't wait until 2019 for a solution.

Thank you for the opportunity to testify. I'd be pleased to answer any questions.