



February 20, 2019

The Honorable Laurie Monnes Anderson  
Chair, Senate Health Care Committee  
State Capitol  
Salem, Oregon 97301

RE: Senate Bill 734 – Naturopathic physician payment parity

Dear Senator Monnes Anderson and members of the committee:

Providence Health Plan is committed to ensuring that Oregonians have access to high-quality, affordable health care. Provider networks are an important component to a member's ability to access services and Providence Health Plan partners with our providers in order to create networks that are high-quality, affordable and responsive to the needs of our members and the communities we serve.

Providence Health Plan recognizes and appreciates the role that Naturopathic physicians (ND), play in the care continuum but we oppose any policy that would eliminate our ability to create and maintain quality provider networks in a cost efficient manner. By requiring payment parity between services delivered by NDs and physicians (MDs), Senate Bill 734 does just that. For this and the reasons stated below, Providence opposes this bill.

#### **Payment parity**

As drafted, SB 734 would require health insurers to pay NDs that bill on a fee for service basis, the same amount as paid to a licensed physician performing the service in the area served. This would contravene our efforts to provide services in a cost effective manner and result in health insurance premium increases for several reasons. The first of which is the parity requirement itself, which would increase the overall cost to provide medical care by increasing provider reimbursement without any corresponding increase in value.

Insurers are permitted to vary reimbursement rates among providers to reflect differences in licensure type, education, training, geographic area served, etc. This practice is appropriate to ensure that we have a sufficient number and mix of high-quality providers necessary to meet the needs of our members. NDs perform many of the same services as MDs, however, the license types are not exact equivalents. MDs have additional training in the form of residency requirements that are not required for ND licensure. Therefore, reimbursement rates should be able to reflect this difference in order to ensure that we are able to attract and retain high-quality MDs throughout the state.

Further, the bill conditions the receipt of payment parity for NDs on the rendering of services on a fee for service basis. This provision would impede the efforts of insurers to move towards value-based care and alternative payment methodologies by creating a perverse incentive for NDs to continue to bill on a fee for service basis. It also ignores the efforts of NDs that currently participate in group practices that focus on providing integrated, value-based care.

**Applicability**

Section 3 of Senate Bill 734 exempts the applicability of the bill to HMOs and insurers that employ health care practitioners that are not reimbursed on a fee for service basis. We are concerned that this exemption creates an unfair competitive environment in which insurers are sorted based on their organizational structure rather than their efforts to adopt and implement alternative payment methodologies.

Thank you for the opportunity to provide comments and we look forward to further discussion.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Gluckman', written in a cursive style.

Robert Gluckman, M.D., MACP  
Chief Medical Officer for Providence Health Plans