February 1, 2022

Representative Rachel Prusak, Chair
Representative Cedric Hayden, Vice-Chair
Representative Andrea Salinas, Vice-Chair
House Committee on Health Care
900 Court Street NE
Salem, OR 97301

Delivered electronically.

Re: Comments on HB 4083, relating to primary care.

Chair Prusak, Vice-Chairs Hayden and Salinas, and committee members:

The PacificSource companies are independent, not-for-profit health insurance providers based in Oregon. We serve more than 500,000 commercial, Medicaid, and Medicare Advantage members in four states. PacificSource Community Solutions is the contracted coordinated care organization (CCO) in Central Oregon, the Columbia River Gorge, Marion & Polk Counties, and Lane County. Our mission is to provide better health, better care, and better value to the people and communities we serve.

Thank you for the opportunity to comment on House Bill 4083, a bill addressing primary care. We want to express our gratitude to Chair Prusak and Rep. Moore-Green for their leadership on this issue. As with House Bill 3108 (2021), we remain supportive of the policy goals contained within the legislation. However, as we testified on the record in February 11, 2021, the bill also raises several technical issues that we ask the committee to consider in its deliberations.

First, while we understand the policy choice behind limiting cost sharing for primary care visits, we anticipate that the change could have some unintended consequences under the Insurance Code. Specifically, it will impact how the Department of Consumer and Business Services establishes standard plans under the Insurance Code. Every year, DCBS amends the standard bronze and silver health benefit plans established under rule to account for changes to the actuarial value calculator released by the Centers for Medicare and Medicaid Services (CMS).[1]

For 2022, CMS established the federal actuarial value[2] for standard bronze plans at 64.72% and 71.92% for silver plans. The effect of this change means that cost sharing for other categories of coverage need to be adjusted to ensure plans stay within the prescribed actuarial value.

[1] *See, e.g.,* https://dfr.oregon.gov/laws-rules/Documents/id06-2021_rule-order.pdf
[2] 45 CFR § 156.140.

Next, this change may impact federal requirements for mental health parity compliance. Specifically, insurers will need to apply mental health parity self-compliance tools developed by the US Department of Labor to determine if a particular type of financial requirement applies to substantially all of the medical/surgical benefits within a relevant classification (i.e., office visits). We would ask that the committee consider requiring DCBS to conduct an interim analysis and report back to the 2023 legislature on whether the bill needs corrective amendments to address unanticipated mental health parity requirements.

Finally, we want to raise the administrative challenges inherent in assigning large numbers of our membership to a primary care provider. For PacificSource, fully 75% of our commercial membership do not have a primary care provider designated or assigned. Within that cohort, we have requested that about half of those members furnish details concerning their primary care provider without success. In sum, the auto-enrollment will require significant time and resources for commercial plans to complete. Auto-enrollment may also create provider abrasion issues once capacity issues are reached.

For questions or concerns, please contact me at 503.949.3620 or richard.blackwell@pacificsource.com.

Sincerely,

/s/

Richard Blackwell
Director, Oregon Government Relations