

## HB 3008 A -5 STAFF MEASURE SUMMARY

### Senate Committee On Health Care

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**Prepared By:** Maya Green, LPRO Analyst

**Meeting Dates:** 4/19, 4/24

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#### **WHAT THE MEASURE DOES:**

Requires dental insurers that contract with vendors who impose fees on providers to process claims to notify providers in advance and provide alternative payment methods without fees. Imposes conditions on the ability of a third party to access the services and discounted rates of a network contract between a carrier and a provider. Exempts dental insurer contracts with licensees or affiliates, the state medical assistance program, and dental insurers that rely only on employees to provide dental care.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

Ayes, 56; Excused, 4--Dexter, Nguyen D, Nguyen H, Ruiz.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-5 Clarifies that a third party may access services and discounted rates when a dental provider contracts directly with the third party.

##### **BACKGROUND:**

Under the Affordable Care Act, beginning in 2014, health insurers are required to conduct electronic funds transfer (EFT) and electronic remittance advice (ERA) transactions according to the standards adopted by the Department of Health and Human Services. Despite this standardization, some insurers have utilized virtual credit cards to make one-time payments. Virtual credit card transactions can carry a fee, often a percentage of the transaction amount, that essentially reduce the providers' total reimbursement.

Oregon restricts payment methods that impose fees on providers unless the insurer notifies the provider in advance and offers alternatives, and the provider agrees to the payment method ([House Bill 3021 \(2015\)](#)).

House Bill 3008 limits the use of payment methods by dental insurers that impose fees on providers imposes conditions on third party contracts that that pay discounted rates to network providers.