



February 8, 2024

Representative Rob Nosse, Chair
Representative Christine Goodwin, Vice-Chair
Representative Travis Nelson, Vice-Chair
House Committee on Behavioral Health and Health Care
Oregon Legislative Assembly
900 Court St. NE
Salem, OR 97301

Delivered via email.

Re: Support for House Bill 4130

Chair Nosse and Vice-Chairs Goodwin and Nelson:

We write to you today in support of House Bill 4130, the bill closing loopholes in the existing statutes around the corporate practice of medicine.

The PacificSource companies are independent, not-for-profit health insurance providers based in Oregon. We serve over 600,000 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.

PacificSource has served Oregonians for 91 years. We are deeply rooted in the communities we serve. In our experience, we find that other deeply rooted members of the community make for excellent and collaborative partners. We may have challenging negotiations, but ultimately, we can find a place of understanding and cooperation with our partner providers whose primary mission is to serve their community. In contrast, finding common ground (or even agreement) can be almost impossible with providers who have at best a tenuous connection to Oregon. For this reason, we support the bill.

The Assembly has had to address the indirect effects of corporate consolidation in medicine for some time. In both 2017 and 2018, the Assembly enacted House Bill 2339 and Senate Bill 1549. These bills prohibited the practice of balance billing by an out-of-network provider administering care in an in-network facility. In development of the legislation, it became clear that private equity firms would purchase practices within a facility. These firms would then refuse to contract for services with a health plan, charging out-of-network rates and if unable to be reimbursed would bill their patients the balance. Eventually, the Congress enacted the No Surprises Act to establish uniform limitations on balance billing nationwide.

We are keenly interested in Rep. Bowman's bill because, for the first time in recent memory, the Assembly is asked to directly take up legislation at the heart of many of the health care policy questions before it from session to session.

Finally, we also wish to note our appreciation for Rep. Bowman exempting PACE awardees from the bill. PACE, or Programs of All-Inclusive Care for the Elderly, is a joint Medicaid-Medicare program that allows individuals otherwise eligible for a long-term care facility to remain at home but receive medical care and social services during the day. PacificSource is proud to be selected to set up PACE programs in two regions of the state, so the certainty afforded by this narrowly tailored exemption is a relief as we embark on a new chapter in our company's history.

Thank you for your consideration of our testimony. Please do not hesitate to reach out to me at richard.blackwell@pacificsource.com or 541-284-7736 for questions or clarification.

Sincerely,

/s

Richard Y. Blackwell
Director, Oregon Government Relations