

Submitter: Kamee Wearden
On Behalf Of: Southern Oregon Neurosurgery
Committee: Joint Committee On Information Management and Technology
Measure, Appointment or Topic: HB4054

Co-Chairs Pham, Nathanson and Members of the Joint Information Management and Technology Committee, my name is Kamee Wearden, and I am writing on behalf of Southern Oregon Neurosurgery to urge your support of HB 4054.

This bill adds much needed transparency to the emerging issue of downcoding. Downcoding happens when a clinic or provider treats a patient and submits a claim for reimbursement, and the health insurer reimburses them at a lower-level code without formally notifying the provider. The adjustment is taken without proper appeal process from the clinic, and decisions are being based on large batch review/processing through Artificial Intelligence technology.

Clinics should appropriately code E/M levels, and American Medical Association has multiple criterion for establishing E/M level codes. As most are objective, some are subjective like with medical decision making and complexity. Time is another determinant for E/M level services. With this employed AI automation, insurance payers are robbing the clinics of due process of adjudication and bypassing these important factors in E/M level selection; it's why they are included in the criteria.

Denying all the claims or asking for chart notes with every claims is also not the answer, as that adds administrative burden as well, in addition to delaying the payment of the claims.

The lack of transparency around this process and technology makes it difficult for clinics to track when claims have been downcoded. This means that clinics have to spend significant staff time to track downcoded claims and appeal them, which adds to the expense and administrative burden of the clinic, and distracts from the real reason we are here-- to provide patient care. The cost of appeal for our practice is \$14/claim for time and materials. Using Medicare fee schedule as a baseline of reimbursement, the difference reimbursement for downcoding for E/M visit is \$32-35 each. If a level 4 visit is downcoded to a level 3, I have already taken a 13% reduction in the reimbursement just to process an appeal. If the downcoding is accepted without appeal, it is a loss of 31%. If it is not overturned, the loss is 44%. None of these options are sustainable for clinics.

I respectfully urge your support of HB 4054. This bill does not ban the use of AI, it simply adds much needed transparency to this emerging technology.