

Submitter: Anthony Estrada  
On Behalf Of:  
Committee: House Committee On Behavioral Health  
Measure, Appointment or Topic: HB4028

Dear Chair Pham and Members of the Behavioral Health Committee:

According to Mental Health America, Oregon is ranked 47th in the nation in providing access to mental health services. This problem is exacerbated by the auditing practices of insurers. Mental health providers are not provided clear, reasonable criteria on the auditing standards applied to them. Some insurers share vague, opaque criteria and others share no criteria at all.

There are currently no time limitations that apply to insurer audits. Nor are there limitations on the criteria insurers can apply in determining whether recoupment of fees is appropriate. For example, under current law, insurers can recoup fees from a provider's 10-year-old claim due to a simple clerical error in their filing documentation. Furthermore, there are no prohibitions on insurers compensating auditors based on the number of errors they find, creating a direct financial incentive for auditors to find more errors to the detriment of providers.

The consequence of the current system is that insurers are recouping thousands of dollars from providers years after they were paid out. Innocuous filing errors, which are unavoidable given the extent and nature of documentation requirements that accompany each file, are costing providers the entirety of their fees for a particular session. If an error goes unnoticed and gets repeated across files it could quickly result in the loss of thousands of dollars of benefits from these providers, many of whom provide services through their own small business. As a result, providers are opting out of working with insurers to avoid the risk of an audit that could drive their business into closure or bankruptcy. This shrinks the pool of providers Oregonians in need of mental health services can affordably access.

HB 4028 will apply much-needed regulations and restrictions to insurer audits, providing security to providers and expanding services for Oregonians. This bill: limits the permissible auditing period to one year from the date the claim was submitted; requires insurers to give providers a detailed written description of all requirements for the successful resolution of a claim that may be audited; prohibits recoupment based on clerical errors; and prohibits offering financial incentives based upon the number of errors found. These are all sorely needed modifications to the current system.

Everyone suffers under the current system, except for insurers. Human errors are unavoidable. They're also more likely when the standards are neither clear nor

reasonable. Insurers will not reign themselves in unless legally required to do so. This bill is a step towards remedying the power differential and empowering Oregonians.

Anthony Estrada