



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 6, 2026

To: [Representative Nancy Nathanson](#) and [Senator Khanh Pham](#), Co-Chairs
Members of the [Joint Committee on Information Management and Technology](#)

Re: [HB 4054](#) – Relating to Downcoding by Automated Technology – **Support**

The League of Women Voters of Oregon supports HB 4054, which requires disclosure of AI use in health benefit plans, specifically around the issue of downcoding. During a visit to a health care facility a billing code is generated by the healthcare provider. Sometimes AI technology is used by an insurance company to automatically change the billing code to a lower code with less reimbursement without informing the provider. This bill would require reporting of downcoding events by AI to the physician or other healthcare provider.

The League of Women Voters believes US healthcare policy goals should include the equitable distribution of services, as well as efficient and economical delivery of care. A health program should protect the health of its most vulnerable populations, urban and rural, in order to protect the health of everyone.

Downcoding by AI is difficult to track. The physicians and healthcare providers making the decision about the level of care are not informed that the charges have been modified by AI.

Second, a decision that has only been changed by automation is not easy to refute. Each attempt to appeal a charge can lead to hours of paperwork and delay, costing the hospital or clinic money and time.

Third, this practice is biased against “complex” patients, who often have comorbidities taking extra time leading to a higher billing code. AI does not take the complex patient into account during downcoding.

Downcoding can destabilize rural Emergency Rooms and lead to longer response and transport times along with higher risk for patients. This may lead to reduced access to emergency care for rural voters.

This bill would require health insurance companies to notify the billing provider every time AI is used to make a medical decision about billing coding. It would also require the provider to inform the billing provider on how to make an appeal.

This type of legislation is just a beginning and does not solve the problem of automated downcoding. As these coding decisions are medical decisions they should be made by physicians and providers and not left up to automation. We anticipate and encourage further legislation in this area. We believe that downcoding is not an abstract billing issue but rather a matter of equity, transparency and access.

We urge your Support for HB 4054. Thank you for the opportunity to discuss this legislation.

A handwritten signature in black ink that reads "Barbara Klein".

Barbara Klein
Acting President LWVOR

A handwritten signature in black ink that reads "Christa Danielson".

Christa Danielson, MD
Healthcare Portfolio