OREGON INDEPENDENT MENTAL HEALTH PROFESSIONALS

To: Joint Committee On Information Management and Technology

From: Melissa Todd, PhD, representing OIMHP

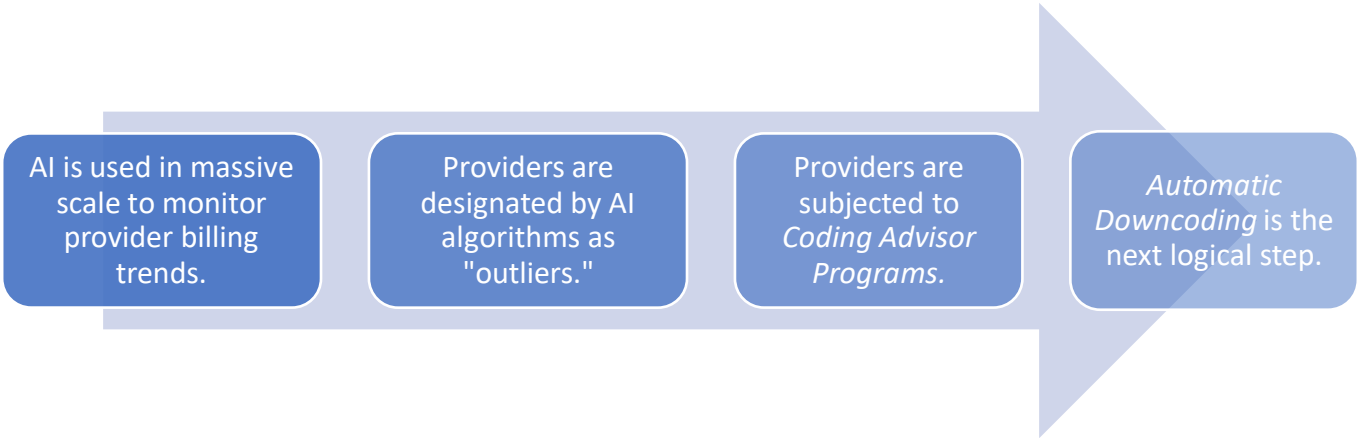
Date: February 6, 2026

Re: Tesimony in support of HB 4054

Dear Chairs Nathanson and Pham, and Members of the Committee,

My name is Melissa Todd. I am a licensed psychologist in solo private practice in Eugene. I am also the President of the Western Oregon Mental Health Alliance (WOMHA) and member of the Oregon Independent Mental Health Professionals (OIMHP). OIMHP is a legislative advocacy committee of practicing behavioral health professionals supported by WOMHA. We advocate for increased public access to behavioral health care, insurer compliance with state and federal Mental Health Parity laws, and improved working conditions for behavioral health providers who contract with health insurance carriers.

I am testifying in support of HB 4054, the bill that requires transparent communication from insurers when using AI to “automatically downcode” health care service claims. The bill also creates a path for providers to appeal these unauthorized changes and request additional payment from the insurers to satisfy these claims underpayments consistent with ORS 743B.453. Please see the graphic below for a depiction of the progression of events OIMHP has been following in Oregon which supports the need for this legislation.

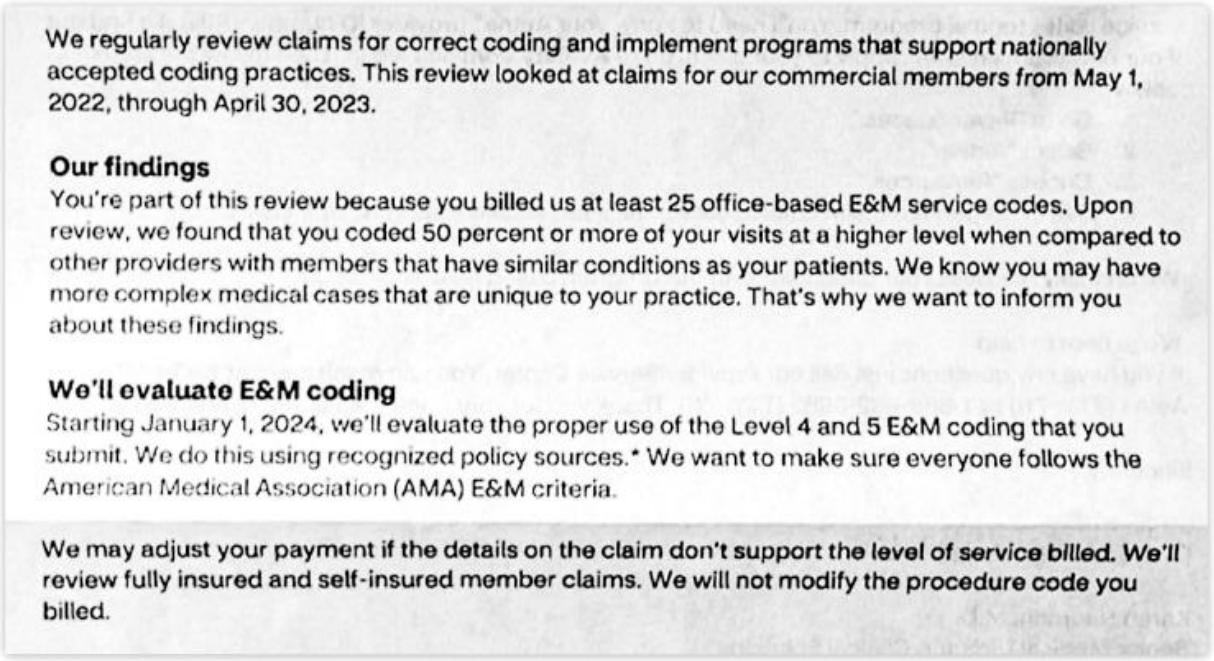


Relevant Activity in Oregon
Since 2021, Oregon behavioral health providers (medical and non-medical) have been subject to *Coding Advisor Programs* that flag providers for being outliers and monitor their utilization of specific billing codes (aka, CPT codes). Regence and Kaiser have contracted with third-party companies Change Healthcare and Optum, both owned by United Health Group, to administer these programs. Please see the example letter attached to this testimony. Providers have stated that they feel intimidated by these letters and pressured to reduce patient care or voluntarily downcode their own services to avoid further scrutiny and the potential for audits.

The codes being monitored are time-based office visits which are determined by time spent face-to-face with the patient for behavioral health providers, or time spent with the patient and on supporting activities for medical providers. The American Medical Association (AMA) CPT codebook does not attach medical necessity criteria to these codes, nor does it designate any of these codes as "high-level" as indicted in the *Coding Advisor Program* letters. Note that there are no clinical guidelines that designate or discourage the use of any particular time-based office visit billing code.

The Purpose of Coding Advisor Programs
Please see the attached Optum Coding Advisor Program "sell sheet" for a clear depiction of why insurers in Oregon and nationwide are contracting with Optum to implement *Coding Advisor Programs*. Page 1 shows the tactics being used to create provider "behavioral change." Page 2 references how Optum is using AI and "behavioral science" to "maximize medical cost savings while minimizing provider abrasion." The sell sheet speaks for itself.

Coding Advisor Programs Lead to Automatic Downcoding
Below is an Aetna *Automatic Downcoding* notice obtained by NBC News from October 2023.



We regularly review claims for correct coding and implement programs that support nationally accepted coding practices. This review looked at claims for our commercial members from May 1, 2022, through April 30, 2023.

Our findings
You're part of this review because you billed us at least 25 office-based E&M service codes. Upon review, we found that you coded 50 percent or more of your visits at a higher level when compared to other providers with members that have similar conditions as your patients. We know you may have more complex medical cases that are unique to your practice. That's why we want to inform you about these findings.

We'll evaluate E&M coding
Starting January 1, 2024, we'll evaluate the proper use of the Level 4 and 5 E&M coding that you submit. We do this using recognized policy sources.* We want to make sure everyone follows the American Medical Association (AMA) E&M criteria.

We may adjust your payment if the details on the claim don't support the level of service billed. We'll review fully insured and self-insured member claims. We will not modify the procedure code you billed.

An October 9th, 2025 NBC News article reported physicians subject to *Automatic Downcoding* received letters with eerily similar wording to the *Coding Advisor Program* letters circulating Oregon. The article stated the following: "Doctors being downcoded by Aetna are told they are coding visits "at a higher level" compared to their peers. "We may adjust your payment if the details on the claim don't support the level of service billed," a notice reviewed by NBC News says. A similar letter from Anthem says doctors "whose coding patterns improve and are no longer identified as an outlier are eligible to be removed from the program"" (https://www.nbcnews.com/health/health-care/guilty-proven-innocent-fight-doctors-insurance-companies-downcoding-rcna230714).

HB 4054 Increases Insurer Transparency and Accountability

HB 4054 introduces a straightforward and reasonable transparency requirement. It does not prohibit insurers from reviewing claims or utilizing technology in their payment processes. Instead, it ensures that when insurers use automated systems or artificial intelligence to alter provider billing codes and reduce reimbursement, providers are notified promptly, informed of the rationale for the change, and given a clear path to appeal the decision. As insurers increasingly rely on algorithm-driven decision-making tools, Oregon has an opportunity to establish reasonable guardrails that protect providers and patients.

For these reasons, I respectfully urge the committee to support HB 4054. This bill represents a practical approach that promotes accountability and transparency in insurer payment practices while giving Oregon's healthcare providers a pathway to challenge potentially unfair claims settlement practices.

Thank you for your time and consideration.

Sincerely,

Melissa Todd, PhD
Licensed Psychologist

Oregon Independent Mental Health Professionals (OIMHP)

CHANGE HEALTHCARE

March 31, 2023

[redacted]

[redacted]

Dear [redacted]

Regence BlueCross BlueShield of Oregon contracted with Change Healthcare to implement the Coding Advisor Program in order to review the use of Psychotherapy codes. As part of this partnership we have analyzed claim data between January 2022 and December 2022 for the purpose of identifying providers who are billing high-level codes significantly more often than other providers within the same specialty. As demonstrated in the attached report, your billing of these services is considerably greater than the expected billing distribution of your specialty group. It is important that your practice understands and abides by the applicable documentation and reporting guidelines to ensure that the medical records support the services provided. Psychotherapy services often help avoid additional and more expensive medical services. The Change Healthcare Coding Advisor Program is intended to be informative in nature and is not intended to question a provider's treatment methods or clinical judgement.

Continuous Monitoring
Change Healthcare will continue to review your billing trends. We will periodically send you updated reports pertaining to how the quarterly review of your claim activity compares to other providers within your specialty and will share these results with Regence BlueCross BlueShield of Oregon. If subsequent analysis reveals that the proportion of reported high-level codes continues to exceed the expected distribution, Change Healthcare may contact your practice for the purpose of further validation and education.

At any time, we offer the opportunity for you to engage with Change Healthcare's mastery level professional coders for further education and information on your claim submission practices.

Taking an Active Role
Change Healthcare is aware many factors may impact the coding of services rendered. We welcome the opportunity to collaborate with your practice. We encourage you to reach out to the Change Healthcare Coding Advisor Customer Service Support team, with your reference number, by phone at 844-592-7009, Option 3, or by fax at 615-238-0834, or email CodingAdvisorSupport@changehealthcare.com to learn more about the Coding Advisor Program and how we can help with claim submission practices.

Sincerely,

C. Hall

Chris Hall, HCAFA
Senior Director of Operations, Change Healthcare

Attachment(s):
Psychotherapy Report

REF NUM: [redacted]

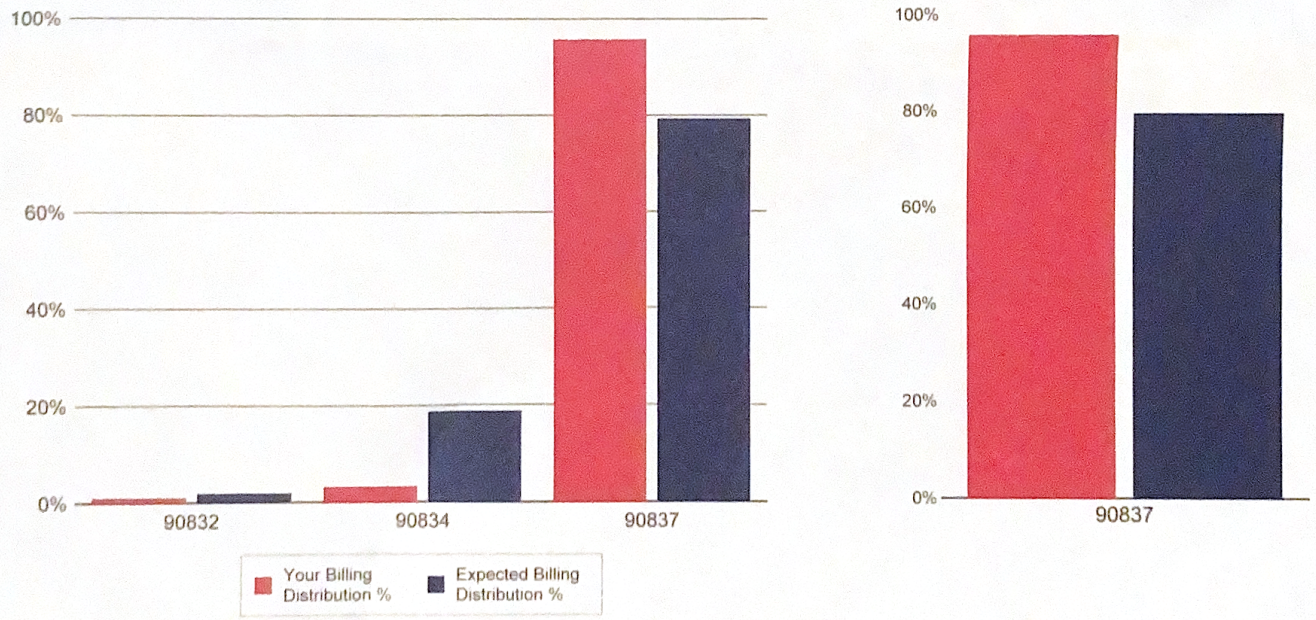
CHANGE HEALTHCARE

Psychotherapy Visits Report

[redacted]
Specialty: [redacted]
Age Range: 19-44

Total Qualified Occurrences:	188
Total Qualified Billed Charges:	$30,050

Procedure Code Range	90832	90834	90837
Your Billing Distribution[1]	2	6	180
Your Billing Distribution %	1.1%	3.2%	95.7%
Expected Billing Distribution %[2]	1.9%	18.8%	79.3%



Criteria for submitting a 90837 code:
-Psychotherapy times are for face-to-face services with the patient and/or family member.
-The patient must be present for all or some of the service.
-In reporting, choose the code closest to the actual time (i.e., 53 or more minutes for 90837); some carriers may require documented start and end times.
-Documentation supporting medical necessity.
Source: American Medical Association CPT® Codebook Instructional Notes

Footnotes

1. Data represents claim paid dates from 1/1/2022 to 12/31/2022 where psychotherapy codes 90832, 90834, 90837 were reported.
2. Expected Billing Distribution represents average distribution of psychotherapy codes billed by providers within the same specialty.

REF NUM: [redacted]

Optum

Coding Advisor

Low-dollar, high-volume billing errors are frustrating for providers and health plans alike and often lead to an increased number of claim denials, record requests and appeals that result in high provider abrasion. Optum® Coding Advisor is a pre-submission, outreach-based provider engagement solution that helps identify common billing errors and improve provider billing behavior.

Coding Advisor uses advance analytics to address losses to more than 32,000 commonly up-coded low-dollar, high-volume CPT® codes. Outlier providers are identified through benchmark provider billing data and educated using health plan-specific coding reimbursement policies, driving positive behavioral change and more accurate billing practices.

Improve coding practices

Coding Advisor uses a proven, 4-phase process for changing behavior and improving coding practices:

Phase 1 Identify → **Phase 2** Educate → **Phase 3** Validate → **Phase 4** Act → **Behavioral change**

- Identify outliers
- Establish baseline

- Outlier reports
- Outreach calls
- Coding policies
- Transactional messaging in EDI workflow

- Measurement
- Quarterly outreach

- Probe audit
- Potential SIU involvement

$3–$8

PMPY* estimated savings

81%

of providers demonstrate positive behavioral change

CPT is a registered trademark of the American Medical Association.

* Per member per year.

Targeted, multi-channel engagement

Coding Advisor delivers targeted provider messaging on potentially erroneous billing – whether accidental or intentional – to educate providers in a collaborative, non-confrontational way. Education is delivered via multi-channel communications, including:

- Quarterly provider profile mailings tailored to each outlier provider practice with data insights
- Point-of-submission EDI messaging

In addition, Coding Advisor Call Center representatives reach out to 85% of outlier providers to further explain billing inaccuracies and encourage self-correction of claims to ensure resolution, resulting in:

- Less than 1% provider escalation
- 9.6% average decrease in cost of outlier E/M claims
- 24% average reduction in total overbilling

A unique approach to delivering long-term behavioral change

Coding Advisor is more than just another alert – it's an educational system that uses AI and behavioral science to deliver targeted coding insights without disrupting provider workflows.

- Outreach is informed by AI-driven provider scoring, ensuring we connect the right provider with the right message at the right time
- Mastery-level coders have formal teaching or training experience
- Highly-collaborative approach drives lasting behavioral change that maximizes medical cost savings while minimizing provider abrasion

Educational insights based on analysis of data from

2.5M
providers over 10 years

200K+
current outlier providers engaged with Coding Advisor

Provider engagement in
50 states

Learn how Coding Advisor can help you improve billing behavior and reduce provider abrasion.

optum.com/pi

Optum

optum.com