



Senator Khanh Pham, Co-Chair
Representative Nancy Nathanson, Co-Chair
Joint Committee on Information Management and Technology
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

February 6, 2026

Dear Co-Chair Pham, Co-Chair Nathanson, and Honorable Members of the Committee:

On behalf of Compass Oncology, and as a practicing radiation oncologist, I am writing to express our support for HB 4054, an important initial measure to address the increasing problem of payer downcoding faced by many clinics like ours in Oregon.

For reference, Compass Oncology is the largest independent, physician-owned, and operated cancer and hematology treatment practice in the region, with over 38 oncologists at four sites of service between Portland and Vancouver. We are dedicated to advancing high-quality, evidence-based cancer care in the lower-cost community setting. We see over 20,000 patients each year and add an estimated 9,500 new patients annually.

The utilization management tool known as insurer downcoding is a growing issue not only in Oregon but across the country. Over the past few years, many insurers have begun reducing the level of service physicians report on claims. In practical terms, this means a provider may spend time treating a patient by addressing complex medical issues, document the visit appropriately, and submit the correct code. The insurance company will then come back after services are rendered and lower it to a cheaper code without considering the medical complexity of services. Increasingly, insurers are using automated systems and algorithms to make these adjustments without a human reviewing medical records or considering the clinical realities.

As a practice we are seeing a rise in downcoding, which can reduce payments across many claims and force our practice to spend significant time appealing decisions just to be paid appropriately for the care we already provided. This process results in repeated revenue losses and increased personnel expense for practices like ours.

Independent oncology practices operate on narrow margins while providing essential, local access to care especially to Medicaid and Medicare patients. When insurers consistently downcode claims, it effectively reduces payment below the cost of delivering that care. With many other operational hurdles independent oncology practices have to overcome in Oregon, downcoding adds to the long list of financial strains and could compel practices to limit services, reduce staff, merge with larger entities, or close entirely. This will leave our patients vulnerable and likely seeking more expensive care in a hospital-based setting.

HB 4054 constitutes an important initial measure for the state to address downcoding and provide necessary transparency regarding this increasing concern. Thank you for considering and supporting community oncology practices, and for assisting efforts to ensure patients receive essential care without obstacles.

Sincerely,

John C. Schuler, MD

Radiation Oncologist and Medical Director

Compass Oncology