

To: Chair Deb Patterson and the Senate Committee on Health Care  
From: Larry Conner MA, LPC, Legislative Chair, Oregon Mental Health Providers PAC  
Re: HB 4028  
Date: 2/19/26

I am the Legislative Chair of the Oregon Mental Health Providers PAC, one of the initiators of HB 4028. I am a Licensed Professional Counselor in an individual private practice in Lake Oswego. I have been a mental health counselor for 39 years. Today I am writing to ask for your support for HB 4028, which will reform the insurance audit process for mental health providers and thereby protect access to reasonable cost mental health care in Oregon.

Last week, HB 4028 unanimously passed out of the House Behavioral Health Committee and then passed out of the House 41-1. This is our third attempt to pass this bill. Two times before, it passed out of the House Committee with bipartisan support but never made it to the Senate due to a walkout the first time and a budget squeeze the second. This time there is no fiscal requirement attached. As this will be the first time the Senate Committee on Health Care has seen this bill, I would like to explain it to you.

**The problem:**

Oregon is in a Behavioral Health Crisis. We continue to be at or near the bottom in measures of access to mental health care. Commercial Insurers and CCOs are making this crisis worse through abusive audits of mental health providers that lead to enormous demanded “recoupments” of anywhere from \$8,000 to over \$1,000,000 depending on the size of the practice. **Mental health providers do not have the profit margins to be able to afford these recoupments. Many are stopping to work with certain insurers and CCOs out of fear of abusive audits which could put them out of business. Many others have**

**stopped taking any insurance, and some have closed their practices and left the profession.** Oregonians in need of behavioral health care then have even fewer providers available to help them. This is making our behavioral health crisis worse.

In 2021, with the overwhelming support of legislators in both the House and Senate, the Legislature passed HB 3046 which defined that Oregonians need to be able to access low cost, effective care for their mental health conditions through the use of their insurance benefits. **These current audits with large recoupments are blocking what the Legislature intended in 2021.**

These audits are seeking evidence of fraud and abuse, but what they typically discover are unintentional clerical errors compounded by the insurance carriers' internal and idiosyncratic requirements for claims. Unfortunately, commercial insurers and CCOs have been inconsistent with or resistant to publishing and disseminating information that could help providers know how to write successful claims that will avoid an audit. **That leaves providers in an impossible spot: we face huge recoupments without the knowledge we need to avoid them.**

**HB 4028 will:**

- Require commercial insurers and CCOs to define in writing exactly what they require to be included in a successful mental health claim and keeping that information up to date.
- Prohibit commercial insurers from demanding recoupments based on simple clerical errors and allowing simple errors to be corrected following the Pharmacist Statute, ORS 735.542.
- Reduce the size of recoupments by limiting the time audits can look back to 1 year for commercial insurer audits (which is a growing

legislative consensus around the country) and 3 years for CCO audits unless there is evidence of fraud.

- Prohibit insurers and CCOs paying auditors a portion of the recoupments they demand, which has been incentivizing them to increase the size of recoupments. This follows the language of the Pharmacist Statute, ORS 735.546.
- Require commercial insurers to examine each disputed claim rather than relying solely on statistical extrapolation to assume how many are flawed, following the Pharmacist Statute, ORS 735.544.
- Require that commercial insurer audits will be reviewed or performed by a person with behavioral health training. This will eliminate clinically untrained auditors challenging the diagnoses or treatment plans created by highly trained and experienced mental health professionals.
- Require the audit process be completed within 180 days in order to avoid the sometimes unbearably long audit process that leaves providers in constant worry about their future.

**It is important to note that HB 4028 will not limit insurers or CCOs from obtaining recoupments for fraud or double payments.** It will only reduce the audit recoupments that are adding to the behavioral health crisis Oregon is facing.

In summary, HB 4028 will effectively reduce the size and number of recoupments, thus minimizing the number of providers stopping to accept insurance clients or closing their practices. HB 4028 will reinforce the intent of HB 3046 from 2021 in strengthening the opportunity for vulnerable Oregonians to get effective and reasonable cost mental health care in a timely and financially reasonable fashion.

I ask you to pass HB 4028 out of committee, so that we can ensure that Oregonians will have more ability to get affordable mental health care.

Thank you for this opportunity to approach you about this important issue.

Respectfully,

Larry Conner MA, LPC  
Legislative Chair, Oregon Mental Health Providers PAC