

Chair Patterson and members of the Senate Committee on Health Care

My name is Larry Conner. I am a Licensed Professional Counselor in Private Practice in Lake Oswego, Oregon. I have been in practice for 39 years. As the founder and Past-President of COPACT, I have been a political activist for mental health providers and consumers for 19 years. I have been involved with passing nine bills in the Legislature to support mental health. Most recently I have been the Legislative Chair for the Oregon Mental Health Providers PAC, which has been the initiator for the last attempts to pass this legislation and a co-initiator of HB 4028.

I feel the need to address some of the distorted testimony I have heard repeatedly from the Insurance Lobby on this issue.

Each time this bill has been in committee, we have heard lobbyists complain about how the bill means there will be different requirements for commercial vs CCO audits. They make it sound like that would be an overwhelming burden on them. Let us be frank: health insurers deal with multiple requirements and limitations for health policies all the time, whether they be employer-provided, purchased on the Insurance Exchange, emanating from a self-insured entity, or having different coverages and limitations for management vs hourly employees. Insurers are more than capable of handling varying requirements for different policies. For the lobbyists to argue that having two different audit requirements creates an unreasonable burden on their business practices, strains credulity.

I have repeatedly heard lobbyists cite the immense need for insurers to stay vigilant for fraud and abuse in mental health care. They seem to justify the punitive nature of their audit procedures based on that argument. We agree with the need to address fraud and abuse, and that is included in HB 4028, but we have presented testimony for years that fraud and abuse in mental health services in Oregon is extremely rare. In my 39 years of experience, I have never heard of a single case, and I was in settings where I would have been aware of such cases. The disciplinary records for the licensure boards bear out how rare fraud and abuse in mental health care actually occurs in Oregon. Yet if you were to believe the insurance lobby, it is rampant. That is their justification for abusive audits, but their argument is based on their defining that simple clerical errors constitute fraud, when they are nothing more than unintentional mistakes.

They warn that limiting current insurance audit procedures would inevitably lead to increased premiums to consumers. I think this is the core issue. By arguing that way, are they not admitting that audits are an income stream for insurers? The truth is that audits are more strategies to pad the bottom line of the insurance carriers than attempts to root out fraud and abuse. Huge clawbacks are a source of revenue for the insurers and that is why they fight so intensely to maintain the current audit structures.

These substantial recoupments are putting well-meaning and essential practitioners out of business and driving many more away from taking any insurance at all. Yet, I have never once heard an insurance lobbyist admit that these audits are a problem that is limiting access to care, even though we have shared evidence to that fact for three years. Furthermore, I have never heard any lobbyist give anything other than lip service to the fact that Oregon is on or near the bottom of measures of mental health care access in the nation. To them, that is not their problem, and they want to keep it that way.

I have repeatedly heard from lobbyists an ongoing drumbeat of misinformation that insurers have more than adequate support networks for providers who have problems with claims or audits. I know their assertions to be largely false. For many years, numerous insurers have moved their provider support networks offshore, so when there is a problem with a claim or audit, a provider spends an extended period of time speaking to someone in another country with little or no knowledge of mental health diagnoses or procedure codes and who barely speaks English. After long confusing conversations that usually lead nowhere, the therapist typically gives up in frustration. That is not adequate provider support to manage claims or avoid audits.

I was happy to hear the PacificSource lobbyist state in the House hearing that his company does not pay auditors based on the outcome of audits. That is good, but it does not address the fact that other insurers do, which is a serious conflict of interest. The cost of audits goes up enormously when an auditor gets paid more based on the size of the recoupments.

In order to get Oregon off the bottom of national mental health access measures, and to improve the quality of life of Oregonians who are suffering with mental disorders, the health insurance industry must stop driving providers away from accepting insurance through abusive audits that create unsustainably large recoupments. HB 4028 is an attempt to do that so that we providers can continue our dedicated work to improve the lives of our suffering citizens.

I ask you to please pass HB 4028 to the Senate floor with a do pass notice.

Thank you for your attention to his issue.

Respectfully,

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