



Political Action Committee

Dear Chair Patterson and Members of the Senate Committee on Health Care,

My name is Tiffany Kettermann. I am the owner of Health Allies, a behavioral health group practice with 48 staff in Portland, the Director of the Oregon Mental Health Providers PAC, and the original co-author of HB 4028. Preserving access to care has been my passion for over a decade. This bill grew directly out of my lived experience in insurance audits and years of advocating for other providers in their audits.

Insurance companies hold enormous power in the audit process. They write the rules, interpret the rules, change the rules, and enforce them with little meaningful oversight. With the expansion of AI-driven auditing, this power has grown exponentially, allowing insurers to review thousands of records and generate large-scale clawbacks rapidly.

At the same time, insurers intentionally keep the rules vague and hidden from therapists. If providers are left guessing, insurers profit. Audits are far less about fraud and far more about generating revenue through recoupments.

By contrast, therapists are not taught in school how to pass insurance audits. They receive no meaningful support from insurance companies when they enter the field. Manuals do not provide practical guidance, support departments often do not exist, and therapists only learn the rules after they are punished. I have even been accused by insurance companies of teaching my own therapists how to pass audits — as though helping them comply were unethical.

Over the last decade, in my work as an advocate I have seen dozens of abusive audits. Average recoupments are \$10,000 to \$30,000 for solo practices and \$250,000 to \$750,000 for group practices — bankruptcy-level amounts that drive providers out of insurance and out of the field.

With AI expansion and coming federal policy changes, we face an access-to-care crisis. When providers disappear, Oregonians lose care.

In my prior written testimony, I shared two examples: a local provider forced to close after threats of a \$750,000 recoupment, and a December 2025 audit demanding \$550,000 in 20 days for clerical issues such as failing to document teletherapy properly and relying on electronic calendar time. When I was a solo provider, I personally experienced a Medicaid demand for 100% recoupment of six months of services based on “not establishing medical necessity” on a small number of files despite the fact that I had been preauthorized in all of those cases for services based on establishing medical necessity.

HB 4028 protects against fraud while preventing financial devastation for ethical providers. It establishes clear rules, transparency, and fairness so providers can safely participate in insurance networks and continue serving their communities.

Response to Program Integrity and Insurance Carrier Concerns

I also want to address concerns raised by insurance carriers and program integrity representatives regarding HB 4028.

Lookback Period — Legal and Policy Considerations

Opponents argue that a three-year lookback period is insufficient to detect fraud, waste, or abuse. Federal Medicaid law does not require a five-year audit window. 42 CFR 447.45 governs timely filing requirements but does not mandate extended audit periods for routine claims review. States retain discretion to establish reasonable audit parameters.

HB 4028 maintains enforcement authority by allowing extended review when fraud or misconduct is suspected. A three-year lookback applies only to routine audits and does not limit fraud investigations.

Federal healthcare programs already rely on similar timeframes. The Medicare Recovery Audit Contractor program uses a three-year lookback period for routine recovery audits covering billions in claims annually.

Many states also rely on audit recovery windows of approximately three to four years or less through statutory or contractual limits, while allowing extended review for suspected fraud. HB 4028 follows this widely accepted structure.

Excessive lookback periods raise serious policy concerns, including lack of administrative finality, disproportionate financial risk for small businesses, record retention burdens, and unpredictable liability. A three-year period provides reasonable balance while preserving enforcement authority.

Behavioral Health Professional Staffing Requirements

Opponents have raised concerns about staffing requirements for behavioral health professionals participating in audits. If behavioral health services require clinical expertise for proper review, audits should reflect appropriate professional standards. The absence of current staffing does not justify audit practices lacking relevant clinical expertise.

This legislation has been reviewed across three legislative sessions, and staffing concerns were not previously raised. With appropriate planning, training, or phased implementation, the state can address operational considerations while advancing needed transparency and fairness.

Documentation Requirements and Payment Standards

Proposed amendments stating that payment is not required where documentation is insufficient are unnecessary because existing Oregon Administrative Rules already require adequate documentation to support payment. HB 4028 does not alter payment eligibility standards. It addresses audit fairness and transparency.

The bill also does not eliminate documentation requirements or guarantee payment following prior authorization. It ensures providers receive clear standards in advance and are evaluated consistently.

Audit Review Rights

While current rules provide procedural opportunities during audits, providers frequently experience unclear standards and limited ability to challenge findings. HB 4028

strengthens transparency and ensures meaningful review processes.

Conclusion

HB 4028 preserves program integrity while restoring balance, transparency, and fairness in the audit process. It aligns Oregon with national standards, protects behavioral health access, and supports providers' ability to serve Oregon communities without weakening fraud enforcement.

Insurance carriers continue to oppose this bill because it introduces transparency and reasonable limits to audit practices that currently operate with broad discretion. The bill protects patients and providers by ensuring that audit practices serve access to care and program integrity — not unchecked financial recovery.

I respectfully urge the Committee to support HB 4028.

Thank you for your time and consideration.

Sincerely,

Tiffany Kettermann
Owner, Health Allies Counseling
Director, Oregon Mental Health Providers PAC