



February 3, 2020

The Honorable Andrea Salinas  
Chair, House Committee on Health Care  
900 Court St. NE, H-485  
Salem, OR 97301

**Re: Support for HB 4102 – to create the Utilization Management Transparency Act**

Dear Chairwoman Salinas and members of the House Committee on Health Care,

On behalf of the 1-in-10 individuals in Oregon with one of the approximately 7,000 known rare diseases, the National Organization for Rare Disorders (NORD) thanks you for the opportunity to submit testimony in support of HB 4102, legislation that would implement common-sense patient protections pertaining to utilization management protocols.

NORD is a unique federation of voluntary health organizations dedicated to helping people with rare "orphan" diseases and assisting the organizations that serve them. We are committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

NORD believes strongly that all patients deserve the medical care that is best suited for their medical situation and will give them the best results. Based on the reports we receive from member organizations and individuals, utilization management is increasingly being applied by health plans in Oregon with little regard for a patient's treatment history and specific medical needs.

Utilization management, which includes prior authorization and step therapy, is a set of tools that insurers (public or private) use to manage the cost of health care by evaluating the necessity of services and therapies. For example, step therapy is a process through which insurers require patients to fail on one or more alternative medications before being put on the medicine preferred by their provider. While this is done by insurers as an attempt to control health care costs, it can often be applied inappropriately, with little regard to clinical practicalities. As a result, in many cases, these requirements can delay appropriate treatment and ultimately increase costs, not lower them.

As the use of utilization management has increased, so has the need for states to ensure that these requirements do not needlessly interfere with appropriate care for patients. For instance, in some cases, patients switching insurance plans may be required to stop taking a successful treatment and start taking a medicine that they have already failed on simply because the step therapy



protocol does not take into account whether a patient has failed a medicine while covered by another insurer.

HB 4102 would address this issue by providing new protections for patients when health plans implement utilization management. Among other important patient protection provisions, this legislation would require that utilization management protocols be based on medical criteria and clinical guidelines developed by independent experts. It would also require insurers to have a simple and accessible process for patients and providers to request exemptions as well as require insurers to adhere to a strict timeline to grant or deny exemption requests.

In order to guarantee patient safety, Oregon needs to ensure that utilization management policies do not interfere with appropriate care. By implementing the protections created in HB 4102, the Committee will be protecting patients while still enabling health plans to achieve the cost-saving benefits of utilization management when appropriate.

Thank you for the opportunity to comment on this legislation. For further questions, please do not hesitate to contact me at [hross@rarediseases.org](mailto:hross@rarediseases.org).

Sincerely,

A handwritten signature in black ink that reads "Heidi Ross".

Heidi Ross  
Director of State Policy

CC: Members of the House Committee on Health Care