



## **In favor of SB 772**

### **Oregon History and Distinction**

Naturopathic medicine is a practice of western, science, and evidence based medicine distinguished by an emphasis on disease prevention and health optimization. It utilizes both natural and pharmaceutical medicines, prescribing the least invasive interventions first when it is safe to do so. The Oregon Association of Naturopathic Physicians (OANP) was first established in 1909. Naturopathic physicians (NDs) have subsequently been licensed in the state since 1927. Naturopathic medicine enjoys an excellent patient safety record spanning 94 years of continuous licensure and independent board oversight in Oregon.

### **Medical Education and Training**

In Oregon, the medical education required to become a naturopathic physician includes a 4-year, graduate-level, full-time program of didactic study and clinical experience. This comprehensive education covers basic biomedical sciences (ie. anatomy, gross anatomy, physiology, biochemistry, microbiology, embryology, immunology, and pathology), clinical sciences (ie. cardiology, pulmonology, gastroenterology, urology, gynecology, dermatology, neurology, pediatrics, obstetrics, pharmacology), physical and clinical diagnosis (ie. radiology, clinical laboratory science), and specialized naturopathic techniques that can include therapeutic nutrition, botanical medicine, physiotherapy, naturopathic manipulation therapy, acupuncture, Ayurvedic medicine, environmental medicine, and counseling. Clinical training is achieved in ambulatory settings.

The National University of Natural Medicine (NUNM) Health Centers in Portland and Beaverton are tier 4 Patient Centered Primary Care Homes (PCPCH). The university also operates 8 additional community clinics in the Portland metropolitan area serving marginalized and vulnerable populations. NUNM is a participant in the Vaccines for Children program, providing childhood vaccinations at its teaching clinics.

NUNM also collaborates with both OHSU and Pacific University in shared clinical rotations. The naturopathic education prepares physician graduates to enter the workforce as a general practice, primary care provider upon licensure.



While Medical Doctors (MD) and Doctors of Osteopathy (DO) have a one-year residency requirement for Oregon licensure, these physicians also enjoy 3+ years of federally funded hospital residency and fellowship programs. Approximately 15% of newly graduated NDs are placed in privately funded residencies at graduation. Nurse practitioners have a residency situation similar to NDs.

### **Health Insurance is Both a Monopoly and a Monopsony**

The vast majority of Oregonians must utilize a third party payer in order to afford access to health care. Private health insurance carriers are financial intermediaries with monopoly power over the plans they sell. State law recognizes this monopoly power over subscribers, and consequently regulates carrier premiums and plan solvency.

Monopsony is a market situation in which a buyer controls the market. Insurers have this power over provider contracts. With small professions like naturopathic physicians and small provider entities where most of them are employed have no counter balancing market power. Large medical professions and large provider entities control monopolies over services insurers must purchase in order to have an adequate provider network. Large medical professions and larger provider entities have a significant bargaining power against insurers' monopsony power resulting in fair treatment in their contracts.

Naturopathic physicians are at the mercy of the insurers with resulting one-sided adherence contracts where adverse reimbursement rates are dictated by the insurers. Naturopathic physicians are left with only a binary choice to accept or not accept the contract terms offered by insurers.



### **History of Insurer Discrimination Against Naturopathic Physicians**

Both the Affordable Care act in section 2706, and ORS 743B.505 mandate that health insurers may not discriminate against network participation of providers licensed by the state. Variations in reimbursement rates are allowable based on “quality and performance measurements.” Provider license type alone is neither a quality, nor a performance measurement. Lowering reimbursement rates based solely on provider license type is an act of discrimination.

The transaction records found in Oregon’s All Payer, All Claims (APAC) database form prima facie evidence that insurers have communicated a consensus among themselves that nothing compels them to reimburse or bargain fairly with naturopathic physicians in the contracts they offer. No major private insurer in Oregon pays NDs at market rate when performing the same services. Non-negotiable reimbursement rates assigned by carriers to naturopathic physicians range from 25% to 85% less than what is paid to every other provider type. Payment rates for transactions with naturopathic physicians aggregated for all private insurers are ~60% of the market median found in APAC. In 2021 this has not changed in how NDs are reimbursed. The other provider types are likely now being reimbursed more than what was captured in our APAC report.



## **The Harm Done to Oregon, Its Citizens, and Naturopathic Physicians**

Oregon has a chronic shortage of primary care providers to serve the needs of its citizens. Through administration by the Oregon Health Authority ~\$41 million is invested every biennium on direct grants and tax credits to incentivize the recruitment and retention of primary-care providers in underserved communities. These incentives include scholarships and loan repayments to naturopathic physicians. Economic marginalization of naturopathic physicians by health insurers contradicts, and undermines the state's investment in achieving these provider access goals for its citizens.

The citizens of Oregon require access to primary care, and a right to choose the approach to care that best supports their desires for health. Naturopathic medicine provides a distinct choice for them to make. Economic marginalization of naturopathic physicians by insurers makes that choice untenable when the physician is financially distressed, with their medical practice constantly hanging by a financial thread, and the doctor unable to fund the ordinary needs of a private life.

Becoming a naturopathic physician for the purpose of serving and aiding others is a significant investment of years of life, hard work, and finances. The typical student debt for newly graduating NDs is in excess of \$250,000. The cost of suitable office space, the pay and benefits of qualified staff, and other expenses to outfit and operate a primary care clinic are no less for NDs in the same geography as for any other primary care provider type. Operating a clinical practice and supporting a household with a gross reimbursement rate at 60% of norms creates great financial distress that inhibits the doctor's ability to stay in practice and for patients to maintain access to the care of their choice.



## **A Law Requiring Health Insurance Pay Parity for Naturopathic Physicians is the Solution**

The economic power dynamics and history of accumulated evidence are clear. Insurers are only going to contract fairly with NDs when there is a permanent, enforceable state law that unambiguously requires them to do so. Nurse practitioners and physician assistants had to seek this same protection through laws passed in 2013 and 2016.

Health insurers have had at least since the passage of the ACA and its effective date of January 1, 2014 to consider and implement fair treatment for NDs including prevailing reimbursement rates to naturopathic physicians as paid to every other provider type with a primary care scope of practice.