

February 25, 2021

The Honorable Rachel Prusak Chair, House Committee on Health Care
900 Court St. NE
Salem OR 97301

RE: Opposition to HB 2328

Dear Chair Prusak and members of the House Committee on Health Care,

We appreciate the opportunity to express concerns about HB 2328. Kaiser Permanente exists to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve. We share the state's goal of increasing the affordability of health care while maintaining access and high quality. Under SB 889, Kaiser Permanente and the state's other payers and providers will be held to maximum increase in annual growth in the total cost of care across all markets. HB 2328, which proposes requiring health plans to contract with all provider types and prohibits the use of evidence-based medicine, will make meeting those target far more difficult.

HB 2328 will increase costs.

HB 2328 will increase costs by tying insurers' hands in contract negotiations with providers. Section 1(1)(b)(C)(2)(c) states, "[t]his subsection does not prevent an insurer from establishing varying reimbursement rates based on quality or performance measures **as long as the rates apply uniformly to all types of licensed or certified health care providers.**" This suggests that insurers cannot negotiate unless it's over quality or performance, which in our current system is uncommon. This will mean that if "Orthopedic Group A" offers Kaiser Permanente a better rate than "Orthopedic Group B", but their performance is basically the same, we will not be able to choose to contract with the less expensive group.

Second, this bill will increase costs by requiring insurers to cover procedures and/or treatments that are not medically necessary. Section 2(d)(B) states that an insurer is discriminating if it **"[o]ffers a health benefit plan in this state that effectively denies reimbursement for a covered service based on the licensure or certification of the provider through the use of exclusions, utilization reviews or other terms or conditions."** If insurers are prohibited from using any exclusions, utilization review or other terms or conditions, the insurers will have to pay for absolutely anything the provider decides to do. This is a surefire way to drive up health care costs for everyone.

Third, HB 2328 will increase costs and jeopardize patient safety by forcing insurers to contract with any and all licensed providers. Section 2(d)(C) states that an insurer is discriminating if it **"[d]oes not include in the network of the health benefit plan every type of provider licensed or certified**



in this state to provide health care services that are covered by the health benefit plan. As a Nephrologist I am licensed by the Oregon Medical Board to perform complex head and neck procedures, but in reality I have I have no training, no certification and should never do them. Yet HB 2328 would REQUIRE that an insurer pay me for the service for which I am licensed. Please vote no on HB 2328. It will set the state back in its efforts to manage growth in the total cost of care.

Sincerely,

Micah Thorpe, DO MPH FACP FASN
Nephrologist
Vice President Business Strategy
Kaiser Permanente Northwest