

House Bill 2992

Sponsored by Representative TRAN (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Restricts insurers' ability to refuse to credential health care provider or to refuse to contract with health care provider to provide covered health care items and services.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to in-network health care providers; and declaring an emergency.

3 Whereas Oregon has a compelling public interest in ensuring that residents of this state have
4 meaningful access to health care and services; and

5 Whereas health care providers rely predominantly on their patients' insurance for the compen-
6 sation of their services; and

7 Whereas some vertically integrated insurers use their market power to block competition in the
8 health care market by refusing to credential competing health care providers or refusing to contract
9 with health care providers to deliver in-network services; and

10 Whereas individuals covered by insurance must incur greater costs to receive care from out-of-
11 network health care providers; and

12 Whereas it is the public policy of this state to manage health care consolidation and prevent
13 monopolistic trade practices; and

14 Whereas it is also the public policy of this state to ensure that insurers have adequate networks
15 of providers so that insureds can have access to medically necessary care in a timely fashion and
16 in the geographical areas where they live and work; now, therefore,

17 **Be It Enacted by the People of the State of Oregon:**

18 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of the Insurance Code.**

19 **SECTION 2. (1) An insurer offering a policy or certificate of health insurance in this**
20 **state that reimburses the cost of health care and services may not refuse to credential a**
21 **health care provider or refuse to contract with a health care provider to provide one or more**
22 **items or services reimbursed under the policy or certificate:**

23 **(a) If the health care provider is licensed, certified or otherwise authorized in this state**
24 **to provide the item or service; and**

25 **(b) The health care provider demonstrates that contracting with the insurer is necessary**
26 **to ensure patient access to a sufficient number of providers in the provider's field or to en-**
27 **sure network adequacy in the geographic area served by the provider.**

28 **(2) Notwithstanding subsection (1) of this section, an insurer may refuse to credential a**
29 **provider or may refuse to contract with a health care provider if the insurer:**

30 **(a) Is a vertically integrated insurer that intends to use only wholly or partially owned**
31 **provider entities and demonstrates that market competition from outside providers is likely**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 to result in higher costs or lower quality of care; or

2 (b) Has a reasonable and objective basis for the refusal that is based on the insurer's
3 established quality standards.

4 (3) If an insurer refuses to credential a health care provider or refuses to contract with
5 a health care provider, the insurer shall provide the health care provider with a written no-
6 tice explaining in detail the basis for the refusal. The notice must also include a notice, in
7 a form approved by the Department of Consumer and Business Services, explaining the
8 health care provider's right to appeal the refusal.

9 (4)(a) The department shall adopt by rule a process for a health care provider that meets
10 the criteria in subsection (1) of this section to appeal an insurer's refusal to credential the
11 provider or to contract with the provider. The department may adopt by rule permissible
12 reasons for refusing to credential a health care provider or for refusing to contract with a
13 health care provider to ensure that credentialing and contracting is used only for maintain-
14 ing the quality of care and not for anticompetitive purposes.

15 (b) If the department finds that the health care provider will offer needed patient access
16 to a particular covered item or service or promote network adequacy in a geographic area,
17 the department shall issue a final order requiring the insurer to credential the health care
18 provider or to contract with the provider. The order may be subject to conditions.

19 (c) If the department finds that the insurer's refusal to credential the health care pro-
20 vider or to contract with the provider was unreasonable, the department may assess the cost
21 of the proceeding against the insurer.

22 SECTION 3. This 2023 Act being necessary for the immediate preservation of the public
23 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect
24 on its passage.