

SB 28-2
(LC 759)
4/8/25 (EKJ/ps)

Requested by Senator REYNOLDS

**PROPOSED AMENDMENTS TO
SENATE BILL 28**

1 In line 2 of the printed bill, after “care” insert “; creating new provisions;
2 amending ORS 750.055 and 750.333; and declaring an emergency”.

3 After line 2 insert:

4 “Whereas independent primary care practices are disappearing because
5 they lack the negotiating leverage of large hospital-based health systems; and

6 “Whereas hospital systems leverage their market power to obtain signif-
7 icantly higher reimbursement rates than independent primary care providers
8 for identical services; and

9 “Whereas research published in Health Services Research indicated that,
10 by 2016, hospital outpatient settings received payments approximately 99
11 percent higher than independent physician offices for identical services, re-
12 sulting in substantial payment disparities even for common procedures; and

13 “Whereas the Congressional Budget Office, in a 2022 report, reiterated
14 that price differential; and

15 “Whereas a report by Brown University’s School of Public Health found
16 hospital outpatient facilities charged significantly more for routine medical
17 care compared to independent practices, further highlighting the disparity in
18 reimbursement rates; and

19 “Whereas the payment disparity between independent and hospital-
20 affiliated primary care providers is unfair and harms patient access, choice,
21 and affordability of health care; and

1 “Whereas in the past, hospitals and health systems might have argued it
2 was unfair to disclose reimbursement rates publicly or to government au-
3 thorities, the Hospital Price Transparency Final Rule, implemented under
4 the authority of the Affordable Care Act and reinforced by the Transparency
5 in Coverage Rule, already mandates this disclosure, rendering such ob-
6 jections no longer relevant; and

7 “Whereas this Act establishes a primary care benchmark reimbursement
8 rate referred to as the Primary Care Fairness Rate that levels the playing
9 field between big and small, independent and private, rural and urban and
10 provides independent primary care providers a fair opportunity to thrive in
11 Oregon; and

12 “Whereas this Act will improve vital access to primary care at a time
13 when Oregon is in primary care crisis; now, therefore,”.

14 Delete lines 4 through 8 and insert:

15 **“SECTION 1. Section 2 of this 2025 Act is added to and made a part**
16 **of the Insurance Code.**

17 **“SECTION 2. (1) As used in this section:**

18 **“(a) ‘Hospital-based or hospital-affiliated provider’ means a provider**
19 **located in this state that provides outpatient services at a hospital or**
20 **a facility that is under the common control or ownership of a hospital.**

21 **“(b) ‘Independent practice’ means a medical practice that is wholly**
22 **owned by providers where the licensed provider bills insurers for ser-**
23 **vices provided by the provider using:**

24 **“(A) Diagnosis and procedure codes applicable to the services;**

25 **“(B) The provider’s own name; and**

26 **“(C) The national provider identifier for:**

27 **“(i) The provider; and**

28 **“(ii) If required by the insurer, the facility in which the provider**
29 **provides the services.**

30 **“(c) ‘Primary care provider’ means an individual licensed or certi-**

1 **fied in this state to provide primary care services.**

2 **“(d) ‘Primary care services’ means outpatient, nonspecialized med-**
3 **ical services or the coordination of health care.**

4 **“(e) ‘Primary care services’ include pediatrics, internal medicine**
5 **and family medicine for the purposes of:**

6 **“(A) Promoting or maintaining mental and physical health and**
7 **wellness; and**

8 **“(B) Diagnosis, treatment or management of acute or chronic con-**
9 **ditions caused by disease, illness or injury.**

10 **“(2) A policy or certificate of health insurance offered in this state**
11 **that reimburses the cost of primary care services, shall reimburse**
12 **primary care providers practicing in independent practices at the same**
13 **contracted reimbursement rate for the same services as providers**
14 **providing the same primary care services within a hospital-based or**
15 **hospital-affiliated health system.**

16 **“(3) The Department of Consumer and Business Services:**

17 **“(a) Shall adopt by rule the American Medical Association’s Cur-**
18 **rent Procedural Terminology codes that apply to primary care ser-**
19 **vices.**

20 **“(b) Shall adopt by rule the Primary Care Fairness Rate. The Pri-**
21 **mary Care Fairness Rate shall be an annual benchmark reimburse-**
22 **ment rate that is based on current primary care reimbursement rates**
23 **provided from hospital systems located in this state. The benchmark**
24 **reimbursement rate shall be set at the highest primary care re-**
25 **imbursement rate reported by hospital-based or hospital-affiliated**
26 **providers in the appropriate geographic market.**

27 **“(c) Shall publish the applicable American Medical Association’s**
28 **Current Procedural Terminology codes and benchmark reimbursement**
29 **rates described in this subsection no later than March 1 of each cal-**
30 **endar year.**

1 **“(d) May adopt rules necessary to implement this section.**

2 **“(4) Insurers may not reduce the reimbursement paid to hospital-**
3 **based or hospital-affiliated providers in order to comply with this sec-**
4 **tion.**

5 **“(5) Primary care providers practicing in an independent practice**
6 **may elect not to be reimbursed by an insurer at the Primary Care**
7 **Fairness Rate.**

8 **“(6) This section does not apply to policies or certificates of health**
9 **insurance issued by the Public Employees’ Benefit Board or the**
10 **Oregon Educators Benefit Board.**

11 **“SECTION 3.** ORS 750.055, as amended by section 3, chapter 24, Oregon
12 Laws 2024, section 4, chapter 35, Oregon Laws 2024, section 21, chapter 70,
13 Oregon Laws 2024, and section 162, chapter 73, Oregon Laws 2024, is
14 amended to read:

15 “750.055. (1) The following provisions apply to health care service con-
16 tractors to the extent not inconsistent with the express provisions of ORS
17 750.005 to 750.095:

18 “(a) ORS 705.137, 705.138 and 705.139.

19 “(b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385,
20 731.386, 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.485, as pro-
21 vided in subsection (2) of this section, ORS 731.488, 731.504, 731.508, 731.509,
22 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.730, 731.731,
23 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

24 “(c) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and
25 732.517 to 732.596, not including ORS 732.582, and ORS 732.650 to 732.689.

26 “(d) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to
27 733.680 and 733.695 to 733.780.

28 “(e) ORS 734.014 to 734.440.

29 “(f) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to
30 742.162 and 742.518 to 742.542.

1 “(g) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.020, 743.022,
2 743.023, 743.025, 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to
3 743.109, 743.402, 743.405, 743.406, 743.417, 743.472, 743.492, 743.495, 743.498,
4 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650 to 743.656, 743.680
5 to 743.689, 743.788 and 743.790.

6 “(h) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036,
7 743A.040, 743A.044, 743A.048, 743A.051, 743A.052, 743A.058, 743A.060,
8 743A.062, 743A.063, 743A.064, 743A.065, 743A.066, 743A.068, 743A.070,
9 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104,
10 743A.105, 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148,
11 743A.150, 743A.160, 743A.168, 743A.169, 743A.170, 743A.175, 743A.185,
12 743A.188, 743A.190, 743A.192, 743A.250, 743A.252, 743A.260, 743A.310 and
13 743A.315 and section 2, chapter 771, Oregon Laws 2013, and section 2, chapter
14 70, Oregon Laws 2024, **and section 2 of this 2025 Act.**

15 “(i) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195,
16 743B.197, 743B.200, 743B.202, 743B.204, 743B.220, 743B.221, 743B.222, 743B.225,
17 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256, 743B.257,
18 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310, 743B.320,
19 743B.323, 743B.330, 743B.340, 743B.341, 743B.342, 743B.343 to 743B.347,
20 743B.400, 743B.403, 743B.407, 743B.420, 743B.423, 743B.450, 743B.451, 743B.452,
21 743B.453, 743B.470, 743B.475, 743B.505, 743B.550, 743B.555, 743B.601, 743B.602
22 and 743B.800 and section 2, chapter 24, Oregon Laws 2024, and section 2,
23 chapter 35, Oregon Laws 2024.

24 “(j) The following provisions of ORS chapter 744:

25 “(A) ORS 744.052 to 744.089, 744.091 and 744.093, relating to the regulation
26 of insurance producers;

27 “(B) ORS 744.602 to 744.665, relating to the regulation of insurance con-
28 sultants; and

29 “(C) ORS 744.700 to 744.740, relating to the regulation of third party ad-
30 ministrators.

1 “(k) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605,
2 746.607, 746.608, 746.610, 746.615, 746.625, 746.635, 746.650, 746.655, 746.660,
3 746.668, 746.670, 746.675, 746.680 and 746.690.

4 “(2) The following provisions of the Insurance Code apply to health care
5 service contractors except in the case of group practice health maintenance
6 organizations that are federally qualified pursuant to Title XIII of the Public
7 Health Service Act:

8 “(a) ORS 731.485, if the group practice health maintenance organization
9 wholly owns and operates an in-house drug outlet.

10 “(b) ORS 743A.024, unless the patient is referred by a physician, physician
11 associate or nurse practitioner associated with a group practice health
12 maintenance organization.

13 “(3) For the purposes of this section, health care service contractors are
14 insurers.

15 “(4) Any for-profit health care service contractor organized under the
16 laws of any other state that is not governed by the insurance laws of the
17 other state is subject to all requirements of ORS chapter 732.

18 “(5)(a) A health care service contractor is a domestic insurance company
19 for the purpose of determining whether the health care service contractor is
20 a debtor, as defined in 11 U.S.C. 109.

21 “(b) A health care service contractor’s classification as a domestic insur-
22 ance company under paragraph (a) of this subsection does not subject the
23 health care service contractor to ORS 734.510 to 734.710.

24 “(6) The Director of the Department of Consumer and Business Services
25 may, after notice and hearing, adopt reasonable rules not inconsistent with
26 this section and ORS 750.003, 750.005, 750.025 and 750.045 that are necessary
27 for the proper administration of these provisions.

28 **“SECTION 4.** ORS 750.055, as amended by section 21, chapter 771, Oregon
29 Laws 2013, section 7, chapter 25, Oregon Laws 2014, section 82, chapter 45,
30 Oregon Laws 2014, section 9, chapter 59, Oregon Laws 2015, section 7, chap-

1 ter 100, Oregon Laws 2015, section 7, chapter 224, Oregon Laws 2015, section
2 11, chapter 362, Oregon Laws 2015, section 10, chapter 470, Oregon Laws
3 2015, section 30, chapter 515, Oregon Laws 2015, section 10, chapter 206,
4 Oregon Laws 2017, section 6, chapter 417, Oregon Laws 2017, section 22,
5 chapter 479, Oregon Laws 2017, section 10, chapter 7, Oregon Laws 2018,
6 section 69, chapter 13, Oregon Laws 2019, section 38, chapter 151, Oregon
7 Laws 2019, section 5, chapter 441, Oregon Laws 2019, section 85, chapter 97,
8 Oregon Laws 2021, section 12, chapter 37, Oregon Laws 2022, section 5,
9 chapter 111, Oregon Laws 2023, section 2, chapter 152, Oregon Laws 2023,
10 section 4, chapter 24, Oregon Laws 2024, section 5, chapter 35, Oregon Laws
11 2024, section 22, chapter 70, Oregon Laws 2024, and section 163, chapter 73,
12 Oregon Laws 2024, is amended to read:

13 “750.055. (1) The following provisions apply to health care service con-
14 tractors to the extent not inconsistent with the express provisions of ORS
15 750.005 to 750.095:

16 “(a) ORS 705.137, 705.138 and 705.139.

17 “(b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.362, 731.382, 731.385,
18 731.386, 731.390, 731.398 to 731.430, 731.428, 731.450, 731.454, 731.485, as pro-
19 vided in subsection (2) of this section, ORS 731.488, 731.504, 731.508, 731.509,
20 731.510, 731.511, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.730, 731.731,
21 731.735, 731.737, 731.750, 731.752, 731.804, 731.808 and 731.844 to 731.992.

22 “(c) ORS 732.215, 732.220, 732.230, 732.245, 732.250, 732.320, 732.325 and
23 732.517 to 732.596, not including ORS 732.582, and ORS 732.650 to 732.689.

24 “(d) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to
25 733.680 and 733.695 to 733.780.

26 “(e) ORS 734.014 to 734.440.

27 “(f) ORS 742.001 to 742.009, 742.013, 742.016, 742.061, 742.065, 742.150 to
28 742.162 and 742.518 to 742.542.

29 “(g) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.020, 743.022,
30 743.023, 743.025, 743.028, 743.029, 743.038, 743.040, 743.044, 743.050, 743.100 to

1 743.109, 743.402, 743.405, 743.406, 743.417, 743.472, 743.492, 743.495, 743.498,
2 743.522, 743.523, 743.524, 743.526, 743.535, 743.550, 743.650 to 743.656, 743.680
3 to 743.689, 743.788 and 743.790.

4 “(h) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.034, 743A.036,
5 743A.040, 743A.044, 743A.048, 743A.051, 743A.052, 743A.058, 743A.060,
6 743A.062, 743A.063, 743A.064, 743A.065, 743A.066, 743A.068, 743A.070,
7 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104,
8 743A.105, 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148,
9 743A.150, 743A.160, 743A.168, 743A.169, 743A.170, 743A.175, 743A.185,
10 743A.188, 743A.190, 743A.192, 743A.250, 743A.252, 743A.260, 743A.310 and
11 743A.315 and section 2, chapter 70, Oregon Laws 2024, **and section 2 of this**
12 **2025 Act.**

13 “(i) ORS 743B.001, 743B.003 to 743B.127, 743B.128, 743B.130, 743B.195,
14 743B.197, 743B.200, 743B.202, 743B.204, 743B.220, 743B.221, 743B.222, 743B.225,
15 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256, 743B.257,
16 743B.258, 743B.280 to 743B.285, 743B.287, 743B.300, 743B.310, 743B.320,
17 743B.323, 743B.330, 743B.340, 743B.341, 743B.342, 743B.343 to 743B.347,
18 743B.400, 743B.403, 743B.407, 743B.420, 743B.423, 743B.450, 743B.451, 743B.452,
19 743B.453, 743B.470, 743B.475, 743B.505, 743B.550, 743B.555, 743B.601, 743B.602
20 and 743B.800 and section 2, chapter 24, Oregon Laws 2024, and section 2,
21 chapter 35, Oregon Laws 2024.

22 “(j) The following provisions of ORS chapter 744:

23 “(A) ORS 744.052 to 744.089, 744.091 and 744.093, relating to the regulation
24 of insurance producers;

25 “(B) ORS 744.602 to 744.665, relating to the regulation of insurance con-
26 sultants; and

27 “(C) ORS 744.700 to 744.740, relating to the regulation of third party ad-
28 ministrators.

29 “(k) ORS 746.005 to 746.140, 746.160, 746.220 to 746.370, 746.600, 746.605,
30 746.607, 746.608, 746.610, 746.615, 746.625, 746.635, 746.650, 746.655, 746.660,

1 746.668, 746.670, 746.675, 746.680 and 746.690.

2 “(2) The following provisions of the Insurance Code apply to health care
3 service contractors except in the case of group practice health maintenance
4 organizations that are federally qualified pursuant to Title XIII of the Public
5 Health Service Act:

6 “(a) ORS 731.485, if the group practice health maintenance organization
7 wholly owns and operates an in-house drug outlet.

8 “(b) ORS 743A.024, unless the patient is referred by a physician, physician
9 associate or nurse practitioner associated with a group practice health
10 maintenance organization.

11 “(3) For the purposes of this section, health care service contractors are
12 insurers.

13 “(4) Any for-profit health care service contractor organized under the
14 laws of any other state that is not governed by the insurance laws of the
15 other state is subject to all requirements of ORS chapter 732.

16 “(5)(a) A health care service contractor is a domestic insurance company
17 for the purpose of determining whether the health care service contractor is
18 a debtor, as defined in 11 U.S.C. 109.

19 “(b) A health care service contractor’s classification as a domestic insur-
20 ance company under paragraph (a) of this subsection does not subject the
21 health care service contractor to ORS 734.510 to 734.710.

22 “(6) The Director of the Department of Consumer and Business Services
23 may, after notice and hearing, adopt reasonable rules not inconsistent with
24 this section and ORS 750.003, 750.005, 750.025 and 750.045 that are necessary
25 for the proper administration of these provisions.

26 **“SECTION 5.** ORS 750.333, as amended by section 5, chapter 24, Oregon
27 Laws 2024, and section 23, chapter 70, Oregon Laws 2024, is amended to read:

28 “750.333. (1) The following provisions apply to trusts carrying out a mul-
29 tiple employer welfare arrangement:

30 “(a) ORS 705.137, 705.138 and 705.139.

1 “(b) ORS 731.004 to 731.150, 731.162, 731.216 to 731.268, 731.296 to 731.316,
2 731.324, 731.328, 731.378, 731.386, 731.390, 731.398, 731.406, 731.410, 731.414,
3 731.418 to 731.434, 731.454, 731.484, 731.486, 731.488, 731.512, 731.574 to 731.620,
4 731.640 to 731.652, 731.804, 731.808 and 731.844 to 731.992.

5 “(c) ORS 733.010 to 733.050, 733.140 to 733.170, 733.210, 733.510 to 733.680
6 and 733.695 to 733.780.

7 “(d) ORS 734.014 to 734.440.

8 “(e) ORS 742.001 to 742.009, 742.013, 742.016, 742.061 and 742.065.

9 “(f) ORS 743.004, 743.005, 743.007, 743.008, 743.010, 743.018, 743.020, 743.023,
10 743.028, 743.029, 743.053, 743.405, 743.406, 743.524, 743.526, 743.535 and
11 743B.221.

12 “(g) ORS 743A.010, 743A.012, 743A.014, 743A.020, 743A.024, 743A.034,
13 743A.036, 743A.040, 743A.048, 743A.051, 743A.052, 743A.058, 743A.060,
14 743A.062, 743A.063, 743A.064, 743A.065, 743A.066, 743A.068, 743A.070,
15 743A.080, 743A.082, 743A.084, 743A.088, 743A.090, 743A.100, 743A.104,
16 743A.105, 743A.108, 743A.110, 743A.124, 743A.140, 743A.141, 743A.148,
17 743A.150, 743A.160, 743A.168, 743A.169, 743A.170, 743A.175, 743A.180,
18 743A.185, 743A.188, 743A.190, 743A.192, 743A.250, 743A.252, 743A.260 and
19 743A.310 and section 2, chapter 70, Oregon Laws 2024, **and section 2 of this**
20 **2025 Act.**

21 “(h) ORS 743B.001, 743B.003 to 743B.127 (except 743B.125 to 743B.127),
22 743B.195, 743B.197, 743B.200, 743B.202, 743B.204, 743B.220, 743B.222, 743B.225,
23 743B.227, 743B.250, 743B.252, 743B.253, 743B.254, 743B.255, 743B.256, 743B.257,
24 743B.258, 743B.310, 743B.320, 743B.321, 743B.330, 743B.340, 743B.341, 743B.342,
25 743B.343, 743B.344, 743B.345, 743B.347, 743B.400, 743B.403, 743B.407, 743B.420,
26 743B.423, 743B.451, 743B.453, 743B.470, 743B.505, 743B.550, 743B.555 and
27 743B.601 and section 2, chapter 24, Oregon Laws 2024.

28 “(i) The following provisions of ORS chapter 744:

29 “(A) ORS 744.052 to 744.089, 744.091 and 744.093, relating to the regulation
30 of insurance producers;

1 “(B) ORS 744.602 to 744.665, relating to the regulation of insurance con-
2 sultants; and

3 “(C) ORS 744.700 to 744.740, relating to the regulation of third party ad-
4 ministrators.

5 “(j) ORS 746.005 to 746.140, 746.160 and 746.220 to 746.370.

6 “(2) For the purposes of this section:

7 “(a) A trust carrying out a multiple employer welfare arrangement is an
8 insurer.

9 “(b) References to certificates of authority are references to certificates
10 of multiple employer welfare arrangement.

11 “(c) Contributions are premiums.

12 “(3) The provision of health benefits under ORS 750.301 to 750.341 is the
13 transaction of health insurance.

14 “(4) The Department of Consumer and Business Services may adopt rules
15 that are necessary to implement the provisions of ORS 750.301 to 750.341.

16 **“SECTION 6. No later than January 1, 2026, the Department of**
17 **Consumer and Business Services shall finalize and publish the re-**
18 **quirements described in section 2 (3) of this 2025 Act.**

19 **“SECTION 7. (1) Section 2 of this 2025 Act and the amendments to**
20 **ORS 750.055 and 750.333 by sections 3 to 5 of this 2025 Act become op-**
21 **erative and apply to health insurance policies, health care service**
22 **contracts and multiple employer welfare arrangements issued, re-**
23 **newed or extended on or after January 1, 2026.**

24 **“(2) The Department of Consumer and Business Services may take**
25 **any action before the operative date specified in subsection (1) of this**
26 **section that is necessary to enable the department to exercise, on or**
27 **after the operative date specified in subsection (1) of this section, all**
28 **of the duties, functions and powers conferred on the department by**
29 **section 2 of this 2025 Act.**

30 **“SECTION 8. Section 6 of this 2025 Act is repealed on June 30, 2026.**

1 **“SECTION 9. This 2025 Act being necessary for the immediate**
2 **preservation of the public peace, health and safety, an emergency is**
3 **declared to exist, and this 2025 Act takes effect on its passage.”.**

4
