



January 29, 2025

Senator Deb Patterson, Chair
Senator Cedric Hayden, Vice-Chair
Senate Committee on Health Care
Oregon Legislative Assembly
900 Court St. NE
Salem, OR 97301

Re: Concerns with Senate Bill 699

Chair Patterson, Vice-Chair Hayden and Members of the Committee:

The PacificSource companies are independent, not-for-profit health insurance providers based in Oregon. We serve over 600,000 commercial, Medicaid, and Medicare Advantage members in three states. PacificSource Community Solutions is the contracted coordinated care organization (CCO) in Central Oregon, the Columbia River Gorge, Marion & Polk Counties, and Lane County. Our mission is to provide better health, better care, and better value to the people and communities we serve.

From the outset, we want to be clear that our position is not about the underlying policy proposed by the bill. Prosthetic and orthotic devices have been covered, either through legislation or the state's adopted essential health benefit benchmark, for some time. No carrier opposed the re-incorporation of the existing standard into Oregon law in 2023. Instead, we write to express three ancillary concerns with the legislation as currently drafted: (1) that the required coverage only benefits a certain number of Oregonians, (2) vagueness in the draft will likely cause issues with implementation in the future, and (3) logistical challenges with the date of implementation.

First, this bill as written applies only to the state's Insurance Code, which covers a small percentage of all Oregonians. According to data presented by the Department of Consumer and Business Services in committee on January 23, state-regulated health insurance covers just over 1 million Oregonians, or around 23% of the state's population.¹ In contrast, the Oregon Health Plan covers over 1.4 million Oregonians, and 57% of all children in Oregon.² The bill also omits coverage for civil servants through the Public Employees Benefit Board and the Oregon Educators Benefit Board, who are not subject to the Insurance Code unless otherwise specified by law.³ As both a health plan and a coordinated care organization, we will be in the difficult position to have to deny coverage for our OHP members while approving coverage for our

¹ <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/CommitteeMeetingDocument/288110>

² <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/CommitteeMeetingDocument/287880>

³ See, e.g., ORS 243.144 (select Insurance Code provisions applicable to PEBB); ORS 243.877 (select Insurance Code provisions applicable to OEGB).

health plan members. We believe the Assembly should consider broadening this coverage opportunity to Oregonians with Oregon Health Plan coverage at a minimum.

Secondly, some of the language of the mandate is vague and subject to multiple interpretations. For instance, the bill adds a requirement that health plans cover devices that “maximizes the insured’s whole-body health[.]” We understand this may be a medical term of art specific to persons with limb loss, but without context parties are free to draw conclusions about the text. If the Assembly enacts this legislation without change, it will be on the Department of Consumer and Business Services to determine what this provision means. In the absence of any clearer legislative direction, both insurers and the agency may experience challenges in applying the legislation in the manner intended by the Assembly. We ask that we take the opportunity to make the text of the mandate clearer now, to avoid issues later after passage.

Finally, sections (2) and (3) of the bill effectively apply the new provisions to health plans as soon as the legislation passes. This presents difficulties for health plans as we seek approval of health insurance rates with the state. Every year at this time, health plans are finishing work on rates to submit to the Director of the Department of Consumer and Business Services for approval. Health plans file proposed rates for health insurance with the Director of DCBS in May, with review and approval of rates occurring by August of every year. This may leave no time for DCBS to interpret and implement the enrolled act, let alone time for our actuaries to determine how to incorporate the new law into the 2026 plan year filings. To that end, we would ask the Assembly to consider designating the provisions operative as of January 1, 2026, with the ability for DCBS to write rules or act ahead of the operative date.

Thank you for your consideration of our concerns.

Sincerely,

/s

Richard Blackwell
Director, Oregon Government Relations