

February 11, 2025

Oregon State Legislature
House Committee on Behavioral Health and Health Care
900 Court Street NE
Salem, OR 97301
Submitted electronically via OLIS

RE: House Bill 3242, relating to in-network credentialing

Chair Nosse and Members of the Committee:

On behalf of Oregon's 61 community hospitals and the patients they serve, the Hospital Association of Oregon supports House Bill 3242, which would require health insurers to pay providers who are joining an in-network practice the same as in-network providers during the credentialing period.

Medical insurance credentialing is a time-consuming process that verifies health care providers are legitimate and qualified to receive reimbursement for services rendered. When a provider is credentialed with a given payer, they can bill the payer directly and receive reimbursement. At hospitals, this process is generally managed by the organization on behalf of the provider.

Two major problems exist with insurers' credentialing systems, both stemming from a lack of standardization. First, each insurer has a unique process that requires some, but not all, of the same information from each provider. A health care provider contracting with 15 insurers in Oregon must complete each company's respective credentialing process—a time-consuming, multi-hour, multi-document endeavor each time. Second, it may take months for an insurer to approve an application. As a result, the provider must either wait to provide care to their patients in those networks or provide care at a reduced rate. Insurers may deny the claims or not pay the provider until after the credentialing period, a tactic that benefits the insurer at the expense of the provider. There are few incentives for health insurers to be expeditious with their credentialing process.

The denials and delays in payment are particularly risky for small and rural hospitals due to their limited workforce and tight operating margins. During a credentialing period with any health insurer, providers

must choose between limiting patient care until providers are credentialed or being paid less for services.

In 2013, the Oregon Legislature passed Senate Bill 604 establishing a centralized system for collecting, storing and maintaining health care practitioner credentialing information.¹ This bill, which became the Oregon Common Credentialing Program, was intended by legislators to simplify credentialing processes, reduce burden on practitioners, and eliminate duplication. However, the Oregon Health Authority failed to implement the program. After several delayed development phases, the program was indefinitely suspended in 2018, before being officially ended in 2021.² The failure of this program has resulted in compounding administrative burden and delays in credentialing.

House Bill 3242 is a simple, prudent fix so that health insurers' delays in credentialing no longer harm health care providers and hospitals.

Sincerely,



Troy Duker
Director of Government Affairs
Hospital Association of Oregon

About the Hospital Association of Oregon

Founded in 1934, the Hospital Association of Oregon (HAO) is a mission-driven, nonprofit trade association representing Oregon's 61 hospitals. Together, hospitals are the sixth largest private employer statewide, employing more than 70,000 employees. Committed to fostering a stronger, safer, more equitable Oregon where all people have access to the high-quality care they need, the hospital association supports Oregon's hospitals so they can support their communities; educates government officials and the public on the state's health landscape and works collaboratively with policymakers, community based organizations and the health care community to build consensus on and advance health care policy benefiting the state's 4 million residents.

¹ <https://olis.oregonlegislature.gov/liz/2013R1/Measures/Overview/SB0604>

² <https://www.oregon.gov/oha/HPA/OHIT-OCCP/Pages/FAQs.aspx>

