

February 11, 2025

The Honorable Rob Nosse, Chair
House Committee on Behavioral Health and Health Care

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Chair Nosse, Members of the Committee,

I'm pleased to support HB 3242 on behalf of Salem Health Hospitals and Clinics. As the Chief Medical Officer for Salem Health Medical Group, I oversee Salem Health's primary and specialty care clinics, urgent care and practitioners in our two hospitals.

Salem Health is a non-profit organization providing primary, specialty, urgent, and acute care to people throughout Marion and Polk counties. Our extended service area includes communities stretching to the coast. We are just down the street from the Capitol; so, if you, your family or staff need medical care, we're here for you.

House Bill 3242 it will help ensure that new providers see patients sooner. It won't solve the provider shortage, but it is a step in the right direction.

Here's how the credentialing system works. When we bring new providers on board, they must first go through our rigorous credentialing process. When that is complete, we then send applications to all the insurance companies we work with. They conduct their own credentialing process. All of this takes time; and few insurance companies are willing to delegate credentialing to us.

At the same time, there is an existing shortage of medical providers that is projected to grow much more severe in the coming years.¹ It is exceedingly difficult to recruit providers who meet our quality standards, so many patients are waiting for family medicine or specialty appointments.

When new providers have successfully completed our credentialing process, they immediately begin seeing patients. For many years, we absorbed the related costs – neither

¹ Spoehr, C. (2024, March 21). *New AAMC Report Shows Continuing Projected Physician Shortage*. Association of American Medical Colleges; Association of American Medical Colleges. <https://www.aamc.org/news/press-releases/new-aamc-report-shows-continuing-projected-physician-shortage>

the insurer nor the patient received a bill. Now, we bill for their services, but the results are mixed.

Oregon's current statutes provide for an extended billing period while a provider is going through credentialing. However, they allow insurance companies a good deal of latitude on how to pay these bills.²

Our experience has been that some insurance companies deny payment because the physician is not credentialed and thus out-of-network at the time of billing. Most others pay bills at out-of-network rates, even when Salem Health is in-network with the insurer and the provider is successfully credentialed. Under these circumstances, we receive about half of the in-network payment. As you may imagine, this deficit adds up over time.

HB 3242 addresses this loophole in Oregon's statutes by requiring that insurance companies pay providers who are joining an in-network practice the same as in-network providers during the credentialing period.

During this legislative session, you'll hear from hospitals and other providers about all the ways we are working to solve the current and future shortage of providers. Passing HB 3242 will help providers see patients sooner, so I encourage you to give the bill a work session and vote it out for consideration in the House.

Sincerely,



Christine S. Clarke, MD, MBA, FACS
Chief Medical Officer
Salem Health Medical Group

² State of Oregon. (2023). *Chapter 743B - Health Benefit Plans: Individual and Group*. https://www.oregonlegislature.gov/bills_laws/ors/ors743b.html. ORS 743B.454 sub (c) says "a health insurer may pay... At the rate paid to nonparticipating providers." ORS 734B.454 sub (d) allows providers six months to bill for services provided during the credentialing period.