



February 28, 2025

Representative Rob Nosse, Chair  
Representative Cyrus Javadi, Vice-Chair  
Representative Travis Nelson, Vice-Chair  
House Committee on Behavioral Health and Health Care  
Oregon Legislative Assembly  
900 Court St. NE  
Salem, OR 97309

**Re: Opposition to House Bill 3243, Related to Ground Ambulance Balance Billing**

Chair Nosse, Vice-Chairs Javadi and Nelson, 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.

We write today to express our opposition to House Bill 3243, which bans the practice of balance billing patients for ground ambulance services. Under the bill, a ground ambulance provider may not assess a person who needed emergency or nonemergency ground medical transport the difference between what the health plan reimbursed and what the provider charged. Instead, health plans would be required to reimburse the provider at the lesser of either (1) a "local established rate," or (2) 400% of the Medicare rate.

We feel confident asserting that everyone agrees that our members or patients should not be held liable for balance bills. Indeed, the Oregon Legislative Assembly spent several sessions limiting the impact of balance bills on Oregonians. In 2017, the Assembly enacted House Bill 2339, which barred balance billing by out of network providers who provided care to a member in an in-network facility. Despite all the deliberations, the 2017 act lacked a definitive substitute for a contractual reimbursement rate. Although multipliers of Medicaid had been discussed during deliberation of the bill, a fixed amount never materialized. In the same session, the Assembly limited reimbursement from PEBB to out-of-network hospitals at 185% of Medicare and in-network hospitals at 200% of Medicare, a law still on the books today.<sup>1</sup>

The 2017 act directed the Department of Consumer and Business Services to convene an advisory group to determine a fair substitute reimbursement. In 2018, the Assembly took up and

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<sup>1</sup> ORS 243.256.

passed a compromise bill that codified a novel reimbursement method.<sup>2</sup> This method utilized the All-Payer, All-Claims database administered by the Oregon Health Authority as a more neutral source of information.<sup>3</sup> The formula established that reimbursement be equal to the commercial median for in-network health care providers, adjusted for inflation and for geographic differences in the reimbursement.

The reimbursement methodology only ceased due to the passage of the federal No Surprises Act.<sup>4</sup> Unfortunately, the No Surprises Act did not contain provisions prohibiting ground ambulance billing, which is why we are here today.

The enormous work the Assembly put into these balance billing bills indicates (1) a preference for contracting between providers and payers rather than creating conditions where balance billing may occur, and (2) a preference for establishing rates that do not disproportionately advantage payers or providers in substitutes for reimbursement in balance billing circumstances.

Unfortunately, we do not believe that HB 3243 captures those historic preferences. We believe that the term “established local rates” is meant to encompass any rates adopted by local fire districts. This covers hundreds of separate rate setting activities across jurisdictions, set with no negotiation between the district and payers. Tracking and responding to each rate will also constitute an enormous administrative exercise. We recommend one rate for services statewide.

Since the minimum reimbursement would be at 400% of the Medicare rate, we believe that local rate setting bodies would have no incentive to set rates below 400% of Medicare, nor would there be any meaningful incentive to contract with payers. We suggest that the carefully crafted compromise struck in 2018 to solve balance billing reimbursement could be a model here as well. If benchmarking amounts from the All-Payer, All-Claims database is infeasible, aligning substitute reimbursement amounts to what hospitals receive under PEBB or OEBB may be another option.

On a more technical note, we believe that this bill should have been included in the actual balance billing statute,<sup>5</sup> if the point was to bar the practice and set a substitute reimbursement rate. The draft places the substantive provisions within the current Insurance Code mandate for coverage of ambulance care and transportation.

For these reasons, we respectfully oppose House Bill 3243. Thank you for your consideration of our concerns.

Sincerely,

/s

Richard Blackwell  
Director, Oregon Government Relations

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<sup>2</sup> 2018 Or Laws ch 43 (Enrolled Senate Bill 1549).

<sup>3</sup> ORS 442.373.

<sup>4</sup> Part of the Consolidated Appropriations Act of 2021, Pub. L. 116-260.

<sup>5</sup> ORS 743B.287.