

March 21, 2025

House Committee on Commerce and Consumer Protection  
Oregon State Legislature  
900 Court St. NE  
Salem, OR 97301

Re: House Bill 3234

Dear Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, members of the committee,

Providence is committed to ensuring that Oregonians have access to high-quality, affordable health care. We are very concerned about the impacts of the -2 amendment of HB 3234 on Oregon's health care system, both in how it would impact care delivery and how it would impact tools we utilize to manage care safety, quality, and cost. To address these concerns, we propose a collaborative engagement with the bill sponsor to find more narrowly tailored solutions that address the issues that this legislation seeks to resolve while maintaining the standards of care that we strive to bring to our communities.

**Impacts on Care Delivery:**

While well intended, several provisions outlined in this bill will have unintended consequences on timely access to care, clinical operations and sustainability, and potentially patient safety. The patient/provider relationship is foundational to ensuring that patients receive the right care, at the right time. Our hospitals and clinics rely on the expertise of our physician partners to navigate constantly evolving science and best practice, but high-quality care delivery and clinical operations extends beyond the walls of an exam room. Not allowing some way for employers to manage provider time and make staffing decisions based on business need, will lead to huge inefficiencies. These will include longer in-clinic and appointment wait times, affordability issues and perpetuate Oregon's current health care workforce crisis. A better approach would be to continue work that ensures providers are able to work at the top of their license and have a team to address issues that don't require clinical expertise.

**Impacts on Care Safety, Quality, and Cost:**

Providence Health Plan contracts with providers after a rigorous credentialing process to ensure that our members have a robust network of providers who meet specific standards including education, training, licensure, certifications, and a history of professional practice. Credentialing supports patient safety, ensuring that only qualified

professionals provide care to patients, which reduces the risk of errors and malpractice. This legislation would hinder our ability to rely on a credentialed network of providers for our members' care.

Providence Health Plan offers in-network providers to our members, who are not only vetted by the health plan, but who offer services to our members at contracted rates, which enable our members to receive care at a lower cost than out-of-network providers. Providers within our network generally seek to refer our members to providers who are also in-network to support cost containment without hindering access or quality. This legislation would negatively impact such efforts to maintain a managed system of care that best serves members' medical needs while controlling cost and ensuring quality.

Providence Health Plan follows state and federal laws to administer utilization management tools that ensure care provided to our members is medically necessary and appropriately tailored to the member's needs. As drafted, this legislation would eliminate our ability to administer utilization management, which would not only significantly increase the cost of care but would also create risk in members receiving unnecessary care with associated complication risks.

We recognize that the bill sponsor seeks to solve some challenging issues in our health care system. To do so in a way that avoids the significant negative impacts that this legislation would cause, we recommend, instead, a workgroup during the interim that includes both insurers and providers, where we come together with the sponsor to identify the problem and develop a narrowly tailored solution.

Kind regards,



Don Antonucci  
President & Chief Executive Officer  
Providence Health Plan



Benjamin LeBlanc, MD  
Chief Executive  
Providence Medical Group – Oregon  
Providence Health & Services