

Submitter: Lon Holston
On Behalf Of:
Committee: House Committee On Labor and Workplace Standards
Measure, Appointment or Topic: HB3374
HB 3374

Members of the committee, my name is Lon Holston. Today I speak for myself and as a former injured worker.

I rise in opposition to House Bill 3374.

Oregon's workers' compensation current law excludes insurance companies from owning Managed Care Organizations (MCOs) to prevent potential conflicts of interest, ensuring that medical decisions for injured workers are made based solely on their healthcare needs, not influenced by the financial interests of their insurance provider.

Oregon workers' compensation law excludes insurance companies from ownership of Medical Care Organizations (MCOs) to avoid potential conflicts of interest. By prohibiting insurers from having ownership in MCOs, the goal is to ensure that medical treatment and care decisions are made primarily based on the health and well-being of injured workers and not the financial interests of insurers.

Insurance companies that own MCOs could create incentives to reduce health care costs, which could lead to lower quality or quantity of treatment for workers. Separating these roles seeks to ensure a more impartial system, in which health care providers prioritize employees' medical needs without cost-cutting pressures driven by insurers.

Key points about this regulation:

- Protecting patient care: By prohibiting insurance companies from owning MCOs, the law aims to safeguard the quality of medical care provided to injured workers by preventing situations where an insurance company might incentivize cost-cutting measures that could compromise treatment quality.
- Independent decision-making: This separation ensures that the MCO, responsible for managing a worker's medical care, can make independent decisions about treatment options without being influenced by the worker's insurance company.
- Promoting transparency: By preventing insurance companies from directly controlling MCOs, the law promotes transparency in pricing and treatment options, allowing for easier comparison and selection of healthcare providers. ??

The proponents of House Bill 3374 will tell you that they have the ability to recruit and

train physicians to make it more conducive to treating injured workers. The training mechanisms would include how to streamline paperwork effectively, deal with difficult patients, and spend more time with your patients instead of on the phone dealing with claims examiners and managed care organizations. With the emergence of telehealth as a vehicle for treating patients, this becomes problematic under this bill. Telehealth can be conducted anywhere in the world. Under workers compensation law, you just have to be licensed in the healing arts. You can use physicians in Idaho, Montana, Kansas, Europe, South America, or anywhere else on the planet as long as they are licensed in the healing arts and willing to sign a contract with a managed care organization in Oregon.

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Other hassle factors include:

- Hire long-term employees skilled in workers compensation paperwork
- Restrictive treatment denials from insurance companies, denial of referrals, and restrictive treatment contracts with providers.
- There is an excessive amount of paperwork that the doctors need to hire employees to manage.
- Delays in compensation to physicians.
- MCO's requiring chart notes and paperwork for service utilization review
- MCO contract reviews with the physician
- Thus, getting between the doctor's treatment and his patient.

There is no easy fix for the lack of physicians nationwide. You can't throw enough money at it; you can't organize it better; and you can't create providers.