

April 16, 2025

The Honorable Deb Patterson, Chair
Senate Committee on Health Care

Chair Patterson, Members of the Committee,

I'm pleased to write in support of HB 3242A. While I'm sorry I can't be at the hearing to testify in person, I wanted to make you aware that this bill, if passed into law, would positively affect Salem Health's primary and specialty care clinics.

Salem Health Hospitals and Clinics is a nurse-led, non-profit organization providing primary, specialty, urgent, and acute care to people throughout Marion and Polk counties. Our extended service area stretches to the coast. We're just down the street from the Capitol. If you, your family, or staff need medical care during session, we're here for you.

Salem Health supports HB 3242A because 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 the insurer nor the patient received a bill. Now, we bill for their services, but the results from our payors are mixed.

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>

Oregon's current statute provides 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

Some insurance companies deny payment because the physician is not credentialed and thus out-of-network at the time of the bill. 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 3242A 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've heard from hospitals and other providers about some of the ways we are working to address the current and future shortage of providers. Passing HB 3242A will help providers see patients sooner, so I encourage you to move this bill forward in the process.

Thank you for your service and for taking the time to read this and other testimony on the bill.

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.