



MEMORANDUM

To: Sen. Deb Patterson Chair, Senate Health Care Committee
Sen. Cedric Hayden. Vice-Chair, Senate Health Care Committee
Members of the Senate Health Care Committee

From: Courtni Dresser, Vice President of Government Relations

Date: May 12, 2025

Re: OMA Comments on HB 3134 A

The Oregon Medical Association (OMA) represents and advocates for more than 7,000 physicians, physician associates, and medical and PA students across Oregon. Our mission is to support our members in their efforts to practice medicine effectively, improve the health of Oregonians, and provide the highest quality patient care.

The OMA is in strong support of HB 3134 A, a critical step toward prior authorization reform. The current prior authorization system is delaying patient care, increasing administrative burdens, and exacerbating clinician burnout.

The Burden of Prior Authorization on Clinics and Patients

OMA's recent survey of physicians, physician associates and clinic managers in Oregon (conducted in September 2024) confirms what we hear every day: prior authorization is a major barrier to care.

- 99% of Oregon physicians report that prior authorization delays patient care.
- 92% report that it leads to treatment abandonment, meaning patients go without necessary treatment because of excessive insurer requirements.

The financial burden is significant— In one study, prior authorization accounts for \$35 billion of total health care administrative spending. (*Sahni NR, Carrus B, Cutler DM. Administrative simplification and the potential for saving a quarter-trillion dollars in health care. JAMA. 2021;326(17):1677–1678. 10.1001/jama.2021.17315 [DOI] [PubMed] [Google Scholar][Ref list]*) In another study, \$28 billion was spent between providers and insurers settling claims. (<https://premierinc.com/newsroom/blog/claims-adjudication-costs-providers-25-7-billion>)

Clinicians spend hours each week on prior authorization paperwork in addition to treating patients. This not only reduces access to care but also contributes to provider burnout, worsening Oregon’s healthcare workforce shortages.

How HB 3134 A begins to address these challenges.

This bill, now streamlined to three core provisions, starts Oregon on a path of meaningful prior authorization reforms.

1. Public Data Transparency
 - Requires insurers to make prior authorization data publicly available, including approval and denial rates. This data is already collected by the Department of Consumer and Business Services (DCBS) from insurers.
 - This ensures greater accountability and transparency, allowing policymakers to assess systemic issues and make informed decisions.
 - The Insurance Commissioner will post aggregated and deidentified data, protecting patient privacy while improving oversight.
2. Ensuring Reimbursement for Medically Necessary Procedures
 - Aligns Oregon law with proven reforms in states like Colorado to prevent unnecessary denials of medically necessary surgical procedures discovered during an approved surgery.
 - This ensures that patients receive the care they need without dangerous delays, preventing situations where providers must halt a procedure due to bureaucratic hurdles.
 - Upon the insurer's request, we removed the language on a review within 30 days. Instead, providers would submit the claim as they do for other services. Insurers could not deny payment due to the service not being pre-approved.
3. Electronic Prior Authorization Alignment
 - Updates Oregon statute to align with CMS regulations for electronic prior authorization submissions.
 - Ensures a smoother, more efficient system, cutting administrative waste while maintaining necessary oversight.
 - Implementation date will match federal requirements (January 2027), allowing insurers and providers time to adjust.

While HB 3134 A begins to address some key issues to reduce these harms and improve access to timely, necessary medical care, there are still improvements that should be addressed to improve prior authorization. We hope the Oregon legislature will work with OMA in the interim to continue this discussion and move legislation that will continue to reduce the overburden and repetitive process of prior authorization.

Why This Reform Matters

Delays in treatment are not just frustrating for medical practices and for patients—they are harmful. Unnecessary prior authorization requirements increase costs, worsen patient outcomes, and drive clinicians out of practice.

Thank you for your time and consideration.