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Senate bill to Mandate Arbitration for Healthy care systems and Health Insurance Carriers

I own a health insurance agency in Independence, Polk County, Oregon. We have roughly 3000 clients in 3 lines of health insurance, individual under 65, small employer groups and Medicare.

I am strongly urging the Senate to pass Senator Patterson's bill to mandate arbitration between health insurance provider systems and health insurance carriers. I've been a health insurance agent for 25 years. We all know that this is about money. We understand the reasons why medical providers costs are rising and insurance companies can't print money in their back rooms. But what both sides seem to have forgotten is how this impacts their patients and members. I have so many examples:

- Couples, now in their 80's, who have only had Blue Cross their entire adult life, who didn't even know there were other insurance companies, who came to my office near tears and so stressed being forced to change their Medicare plan to keep their doctors and hospital.
- Federal retirees. A gentleman in his 80's taking care of his wife at home with dementia. He had put off his hip replacement and now the former Hope Orthopedics wouldn't even schedule an appointment for him because he has federal Blue Cross as his insurance. There is no way I would advise them to give up their federal retiree health insurance. Instead, I helped him connect with an orthopedist with Samaritan in Corvallis. The couple were forced to change their primary care and drive to Corvallis to seek health care.
- Clients who have original Medicare and a Regence Medicare Supplement are still being denied access to care at Salem Health despite that the supplement is simply the secondary payor to Medicare, not an insurance contract and so should not have been impacted.

- Central Oregon – PacificSource ended up being the only Medicare Advantage carrier offering plans in 2026 for the Bend/Redmond/Sisters area. And they were in nail biting contract negotiations until almost the very end of Annual Election Period with St. Charles. Stressed out Central Oregon residents were terrified. They'd either have a Medicare plan that they could keep but that would require them to drive hours to the closest in network hospital or end up with only Medicare A&B. Elderly retirees should not be subject to this kind of stress which went on through almost the entire Annual Election Period.
- Samaritan and United Healthcare – their contract negotiations ended in failure in 2024. Corvallis Clinic, now owned by a subsidiary of United Healthcare has severely limited the number of Medicare plans they accept. I have clients who are now being forced to pay \$124/month to have, ironically, Regence Blue Cross, as the only carrier to have both Corvallis Clinic and Samaritan in network. In previous years, they had more options of nicely benefited \$0 monthly premium plans with Providence, Wellcare or United Healthcare.
- PacificSource and Salem Health with the Oregon Health plan contract. Again, I understand money is the root of the problem and carriers are required to notify impacted members when contract negotiations get to a certain point. But this was perhaps the most egregious of all. The Oregon Health Plan and Medicaid folks are the most vulnerable. PacificSource elected to bid on and was accepted for the OHP contract in Marion and Polk. Helping people enroll in OHP is one of our pro bono tasks and local residents know we are a safe and honorable place to come for help. Many came in our door or telephoned terrified what they would do if they couldn't access their doctor or hospital. As if their life isn't difficult enough already – how can insurance companies and medical systems be allowed to create this much stress?

Many of the carriers have stopped paying commissions to insurance agents which means we are working harder and longer hours every year to help clients change plans that will allow them as best as we can to keep their needed providers without compensation. This is such an unnecessary disruption that impacts the elderly residents in our communities the most.

Please do what you can to find a resolution to mend and repair the broken connections if possible and prevent future disruptions for the citizens of our state who just want affordable access to their health care systems.

Sincerely,

Karen R Frascone, Agency Owner