



November 23, 2022

Tashia Sizemore
Life and Health Program Manager, Division of Financial Regulation
Oregon Department of Consumer & Business Services
P.O. Box 14480
Salem, OR 97309-0405

Sent via email: Tashia.Sizemore@dcbs.oregon.gov

Re: Reproductive Health Equity Act Targeted Market Conduct Examination Report
PacificSource Health Plans, NAIC No. 54976

Dear Ms. Sizemore:

Thank you for the opportunity to review and respond to the final examination report's finding and recommendations; we also appreciate having the opportunity to work with you to address inaccuracies in the draft reports.

PacificSource Health Plans' intent is to follow the requirements of the Insurance Code and associated administrative rules, if any, for reproductive health services subject to ORS 743A.067. We align our health benefit plan documents and claims adjudication systems to comply with its requirements.

In our review of the finding in the report, we will not contest that there are instances which the adjudication of a claim subject to ORS 743A.067 had incorrectly applied member cost share such as copays, coinsurance, and deductible. We would note, however, that since the passage of the Reproductive Health Equity Act in 2017, the division never attempted to set out in advance the standards applied to us in this examination report. In the absence of regulatory guidance, we reasonably interpreted provisions of ORS 743A.067 in applying cost sharing; the finding in the report is based on our interpretation of the statute and the provision of medical care subject to the statute.

While we would greatly prefer that the division undertake a review of pertinent regulation or published guidance to implement on a go-forward basis its interpretation of ORS 743A.067(3), we accede to the three recommendations as they relate to ORS 743A.067; namely, to review internal policies and procedures, review claims adjudication system, and the identification of all pertinent CPT codes to properly adjudicate claims subject to ORS 743A.067. We plan to complete all three recommendations within 90 days of our published Market Conduct Examination Report. To the extent that the recommendations go beyond the scope of this examination, we respectfully disagree that the division has the authority to make such recommendations or to act upon them – now or in the future.

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Please feel free to contact me directly if you have any questions. I can be reached by phone at 541-225-1967, or by email at Kristi.Kernutt@pacificsource.com.

Sincerely,



Kristin Kernutt
General Counsel; Compliance Officer (interim)