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Oregon Chapter, American College of Emergency Physicians (O.C.E.P)

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SB 1549 Establishment of reimbursement rates for out-of-network services provided at in-network health care facilities

My name is Chris Strear, MD, FACEP and I am an emergency physician and a board member for the Oregon Chapter of the American College of Emergency Physicians. The chapter has been part of the workgroup(s), legislative negotiations for the passage of HB 2339 and SB 1549 and rules advisory committee process since September of 2016. We want to thank the Department of Business and Consumer Services for their leadership and the dedication of the staff to bring us to this point today. We supported the ban on balance billing to take the patient out of the middle, and we share your commitment to find a reimbursement method that maintains a fair contracting process and preserves the patient safety net.

My comments today for the proposed rule are specific to the seven geographic areas and the CPI adjustment.

We would like to recommend that DCBS base OON provider reimbursement using the seven geographic areas as already reported in APAC, rather than limiting the areas to merely two (Portland and the rest of Oregon).

We urge caution before adopting a model that may cut provider reimbursement to rural areas and jeopardize the patient safety net. Some considerations to weigh:

- Rural areas have a higher proportion of Medicaid and Medicare patients. The average rural hospital payer mix is 61 percent governmental, according to the Chartis Center for Rural Health. Considering that emergency providers are subject to EMTALA mandates and provide most of the indigent medical care in Oregon, it is not financially viable for them to significantly discount commercial rates.
- According to the Medicare Geographic Practice Cost Indices (GPCIs) chart for Oregon, when compared to Portland, the *entire remainder* of Oregon is already paid 2 percent *less* for their work, and 9 percent *less* for their practice expense.
- Oregon is experiencing health care professional shortages in rural areas (<https://www.oregon.gov/oha/HPA/HP-PCO/Documents/OR%20Guide%20to%20HPSAs.pdf>).

Reducing provider reimbursement creates an access to care issue for patients, especially in rural areas. It affects the ability of hospitals to recruit and retain qualified emergency providers and destabilizes the patient safety net.

In regard to the CPI adjustments, there should be every effort to minimize the lag time between when a new annual CPI adjustment is published and when the subsequent OON rate change takes effect. Providers shouldn't be penalized by an arbitrary date in statute, and the amount of time payers should need to update a database with the CPI increase should be minimal.

Finally, we understand it will take some time to transition to the new method of calculating OON reimbursement rates and to identify potential problems with network adequacy, impact on patients and impact on contracting rates. We look forward to working with DCBS over this interim period before they make recommendations on a rate re-set to the Oregon Legislature in 2020.