



Oklahoma State Association of Pathologists
P.O. Box 54394
Oklahoma City, OK 73118

March 6, 2025

Senator Bill Coleman
Chair, Senate Business and Insurance Committee
2300 N Lincoln Blvd.,
Oklahoma City, OK 73105

Senator Jerry Alvord
Vice Chair, Senate Business and Insurance Committee
2300 N Lincoln Blvd.,
Oklahoma City, OK 73105

Re: Oppose Senate Bill 1047 (Establishing an Adverse Governmental Benchmark for Physician Payment)

Dear Chairman Coleman and Vice Chair Alvord:

The Oklahoma State Association of Pathologists (OSAP) is in strong opposition to Senate Bill (SB) 1047 which would establish a state statutory benchmark for physician out-of-network payment. Governmental intrusion into regulating payment for physician services in the contractual market between physicians and private health plan payers can disrupt the needed balance in negotiations. The SB 1047 formula favors health insurance plan payers and thereby undermines the ability of physicians to negotiate equitable contracts to the detriment of the health care system.

Of specific concern SB 1047, establishes a "Minimum benefit standard" which means the eightieth percentile of all allowed amounts for the same or similar health care service furnished by an in-network provider or in-network facility as reported in an independent benchmarking database maintained by a nonprofit organization specified by the Insurance Commissioner. The "Allowed amount" means the contractually agreed-upon amount paid by a health benefit plan to an in-network provider or in-network facility in the health benefit plan network.

This formula is highly adverse to the physician community and the medical delivery system. Tying physician and laboratory payment to a payment methodology under the exclusive and unilateral control of the health insurance industry will only serve to encourage health insurers to further slash contracted physician payment. This approach was knowingly rejected by the Congress when President Trump signed into law the federal "No Surprises Act" in 2020.

At that time there was bi-partisan consensus that the government should not dictate health insurance payment for physician services by relying upon in-network benchmarks that are exclusively controlled by the health insurance industry. This legislation (SB 1047) substantially exceeds the scope of federal law "No Surprises Act" (NSA)" which establishes patient financial protections and a dispute resolution system for out-of-network physician services provided at in-network hospitals. SB 1047 endeavors to regulate many local physician services, including services provided by pathologists, for patients outside the hospital and facility setting.

The foundational principles of the NSA law were advocated and endorsed by the medical community, including pathologists. Pathologists strongly believe that patients are entitled to receive in-network services at in-network hospitals and facilities. Prior to enactment of the NSA law, patients were at financial risk as the result of the failure of their health insurance plans to contract for necessary physician services, including pathology/laboratory, emergency services, radiology and anesthesiology at in-network sites of service.

Pathologists seek equitable and fair contracts for clinical laboratory and pathology services, including when such services are provided for referral physicians outside the hospital and facility setting. If pathologists are out-of-network, it is likely the result of the actions or inactions of a health insurance plan payer. According to the College of American Pathologists (CAP) 2023 National Survey data, the number of pathologists and clinical laboratories that have been "denied or unable to reach agreement on continued participation in a commercial health insurance plan/insurer network in which they were previously a participating provider" has more than doubled from 2021 (9%) to 2022 (19%).

Senate Bill 1047 penalizes physicians, including pathologists who are denied contracts and thwarted in efforts to secure in-network participation with health insurance payers. The intention of payers to narrow insurance networks and deny contracts to physicians is well-documented, including in ACA marketplace plans.¹

This nefarious activity by health insurance payers, which undermines the health care delivery system, should not be financially rewarded and incentivized, as is the unintended effect of SB 1047 which relies upon payors' "allowed amounts" to determine physician payments.

For these many reasons, Senate Bill 1047 should not be considered.

Sincerely,


President, Oklahoma State Association of Pathologists

CC: Senator McIntosh, Senator Bullard, Senator Grellner, Senator Standridge, Rep. Newton
Matt Robinson, Director of Government Affairs, Oklahoma State Medical Association

¹ [How Narrow or Broad Are ACA Marketplace Physician Networks? | KFF](#)