Oregon Administrative Rule Revision
Chapter 436, Divisions 009, 010, and 015
MCO Stakeholder Advisory Committee Meeting
June 9, 2026 from 1-3 p.m.
Meeting Minutes
Labor & Industries Building: 350 Winter St NE, Salem – Room F or via Microsoft Teams

Stakeholders attending:

Stakeholders:	Affiliation/Profession:
1. Ivo Trummer	SAIF Corporation
2. Elaine Schooler	SAIF Corporation
3. Thais Lomax	Sedgwick
4. Kaylee Bond	CORVEL
5. Drew Hagedorn	Tonkon Torp
6. Paul Puziss	MD
7. Dan Schmelling	SAIF Corporation
8. Kirsten Adams	AGC Oregon
9. Sheri North	Enlyte Group
10. Skylar Hall	SAIF Corporation
11. Sara Duckwall	MLAC
12. Hasina Wittenberg	Government Relations Strategies
13. Joy Chand	Takacs Clinic
14. Matt Corpe	SAIF Corporation
15. Freddy Ky	SAIF Corporation
16. Mandi Dinan	SAIF Corporation
17. Bryan Null	SAIF Corporation
18. Ryan Hearn	MLAC
19. Kevin Barrett	SAIF Corporation
20. Devon Norden	Providence
21. Heidi Kaiser	Integrity Medical Evaluations
22. Angie Renhard	SAIF Corporation
23. Travis Brooke	Cascade Health
24. Jamey Goodman	Cummins, Goodman, Denley & Vickers
25. Lydia Reid	SAIF Corporation
26. Mary Michelle Sosne	Oregon Legislature
27. Connie Whelchel	IMA Financial
28. John Wojda	SAIF Corporation
29. Lon Holson	MAC
30. Chris Frost	Claimant's attorney, OTLA, Thomas Coon Newton and Frost
31. Jovanna Patrick	OTLA
32. Harry Noone	SAIF Corporation
33. Linda LaMonte	Kaiser Permanente
34. James Washburn	Kaiser Permanente
35. Joe Silva	SAIF Corporation
36. Steven Schoenfeld	Claimant’s attorney
37. Amanda Mercier	SAIF Corporation

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38. Brigitte Hamilton	SAIF Corporation
39. Brandi Garcia	OCC Ortho
40. Ted Heus	OTLA
41. Julene Quinn	OTLA
42. Keith Semple	OTLA
43. Ann Klein	Majoris MCO
44. Lisa Johnson	Majoris MCO
45. Spencer Aldrich	Claimant's attorney
46. Christopher Beardall	Injured Worker
47. Maria Beardall	Injured Worker's Family
48. David Literal	Injured Worker
49. Scott Winkels	Oregon Business & Industry
50. Amanda Sullivan-Astor	Associated Oregon Loggers, Inc.
51. Maureen Sacon	MD
52. DeAnna Tapia	Professional Interpreters, Inc.
53. JoAnne Grewe	Northwestern Neurological Associates
54. Dr. Bowman	MD
55. Laura Cook	Oregon Occupational Medicine
56. Cody Lommen	Therapeutic Associates Physical Therapy- East Salem
57. Keyla Luna	Therapeutic Associates Physical Therapy- East Salem
58. Dee Heinz	SAIF Corporation
Note: Additional people attended remotely by phone or Teams but did not provide their names or contact information.	

State of Oregon staff members attending:

Matt West- WCD Administrator
Juerg Kunz –WCD medical policy analyst
Marie Rogers – WCD rules coordinator
Kirsten Schrock –WCD resolution section manager
Stan Fields – WCD medical care specialist
Teri Watson – WCD legislative coordinator
Daneka Karma – WCD policy manager
Stephanie Doster – WCD medical reviewer
Zoe Tacadena – WCD re-employment specialist
Eric Bredeson – DFR Property & Casualty Product Regulation Manager
Caitlin Breitbach – small business ombudsman
Rob Andersen – WCD Sanctions and Medical Resolutions Manager
Mary MacKie – WCD policy analyst

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Minutes: Marie Rogers welcomed the meeting attendees, asked the people to provide advice about any fiscal impacts of possible rule changes, and also to advise about effects on racial equity in Oregon. Marie asked that all attendees remain respectful, noted that each speaker would be allotted three minutes, and that a timer would indicate the time. She asked that virtual attendees used the Microsoft Teams "raised hand" feature to get in line to speak. Marie noted that the division will accept written comment to wcd.policy@dcbs.oregon.gov through June 18. Marie then described the issue outlined below.

Rule: New rule in OAR 436-015

Issue: A stakeholder opines that "[d]espite the stated purpose of MCOs to 'deliver medical services' within the workers' compensation system, insurers continue to involve MCOs in other aspects of claim processing and use the MCO's relationship with providers to limit non-medical benefits. This includes involvement in temporary disability, claim closure, permanent disability, and vocational services. This is *** beyond the scope of the authority of MCOs."

Background:

The director received feedback regarding this issue in Fall 2025. Due to timing, the issue was not addressed during the rulemaking process. As a result, the division committed to holding a separate meeting to discuss the feedback. The purpose of this meeting is to gather information that will help inform rulemaking in Fall 2026.

Please note that no rule changes will occur directly after this meeting. The division will open OAR 436-015 (Managed Care Organizations), along with OAR 436-009 (Oregon Medical Fee and Payment), and OAR 436-010 (Medical Services) in Fall 2026.

- A managed care organization (MCO) is a health care provider, or group of medical service providers, certified by the director to contract with insurers or self-insured employers to provide managed health care services to enrolled workers. Health care services are provided through participating panel providers. Currently, there are three active, certified MCOs: Kaiser On-the-Job MCO, Majoris Health Systems Oregon, Inc. MCO, and Providence MCO.
- Other stakeholders joined this stakeholder asking the director to "implement rules to ensure that MCOs remain a neutral entity charged with ensuring efficient and effective medical care for injured worker." The stakeholders allege/opine that:
    - At times, "MCOs act as insurers to influence doctors on medical [sic] stationary status and work restrictions."
    - I would like the committee to discuss "MCO involvement in non-medical benefits, such as temporary disability, claim closure, permanent disability, and

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vocational services. MCO involvement in these non-medical benefits is not authorized by statute."

- "I have concerns about MCO involvement in non-medical benefits and suspect that my clients have been adversely affected by such conduct. Such conduct wades into claims processing which insurers and claims administrators are statutorily responsible for, not the MCO. *** I believe it is appropriate for WCD to consider a proposed rule *** to address MCO interference with injured workers' non-medical benefits."

- ORS 656.260(21)(a) provides that only a certified MCO may restrict a worker's choice of health care provider or medical service provider; restrict worker access to any category of medical service provider; restrict provider to provider referrals; require preauthorization or precertification to determine necessity of medical services or treatment; or restrict treatment provided to specific treatment guidelines, protocols or standards.
- OAR 436-055-0005(6) provides: "'Process claims' means the determination of compensability and management of workers' compensation claims."
- It is generally understood that insurers are tasked with claims processing and MCOs with managing health care. However, whereas ORS 656.260(21)(a) outlines specific activities that are in the purview of MCO only, the statute does not define what claims processing entails, nor does the statute specifically outline which activities are solely in the purview of insurers.

Options:

- The stakeholder proposes creating a new rule in OAR 436-015 as follows:

OAR 436-015-XXXX: Prohibited Conduct

(1) An MCO or someone acting on behalf of an MCO may communicate with medical treatment providers only regarding the provision of medical services. An MCO may not communicate with medical providers regarding non benefits [sic]**, including, but not limited to:**

(a) Medically stationary status under ORS 656.005(17) and ORS 656.268(1);
(b) Sufficient information to close a claim under ORS 656.268 or Division 030 under these rules;
(c) Restrictions on the workers' ability to perform or return to regular or modified work;
(d) The necessity or duration of temporary disability authorization;
(e) Closing examinations or information used to rate permanent impairment partial disability under ORS 656.214 and Division 035 of these rules;
(f) Permanent total disability under ORS 656.206; or
(g) Information used to determine eligibility for vocational services under ORS 656.340 or Division 120 of these rules.

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> **(2) Violation of this section will result in a civil penalty assessed in accordance with ORS 656.745(2)(a) and OAR 436-015-0120. Each prohibited communication shall be considered a separate violation for the purpose of assessing a civil penalty.**

- Other?
- Make no change

Fiscal Impacts, including cost of compliance for small business:
No fiscal impacts are anticipated.

How will adoption of this rule affect racial equity in Oregon?
No racial equity impacts are anticipated.

Recommendations:

Minutes:

- Marie described the issue above and referenced the sign-up sheet listing people hoping to speak. She asked Ann Klein, the first on the list, to begin.

*Note that speakers' comments are almost entirely verbatim; however, they may include minor edits for the sake of clarity.

1. **Ann Klein, Majoris MCO**

Good afternoon. Ann Klein with Majoris Health Systems, one of the managed care organizations here in Oregon. We are opposed to the proposed rule. The issue presented is an inaccurate framing of what MCOs are meant to do and the proposed changes contradict the statutory design of MCOs in Oregon and well-established best practices for the treatment of injured workers. MCOs have a material role in ensuring workers are cared for and that the system operates as efficiently and effectively as possible. And this seeks to limit and remove that value. Oregon's workers' compensation system places clear responsibility on attending physicians to determine when a worker is medically stationary, assess return to work capacity, evaluate impairment, and thoroughly document those findings. No one contends that the attending physician is engaged in claims processing when they fulfill those duties because they are fundamentally medical judgments based on clinical expertise.

It is inconsistent to then characterize the MCO's engagement with the attending physician on those same obligations as some form of claims processing. The MCO in these communications

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and discussions are supporting the physician in fulfilling the role the statute assigned to the physician, and this is fully appropriate and fully within the MCO scope.

Additionally, looking at medical care and medical services, it's not limited to discrete individual treatment modalities. It's a lot more than that. It's a continuum of care. It's efforts of trained and licensed professionals to maintain or improve well-being. And that includes assessment, diagnosis, developing treatment plans, tracking recovery, adjusting treatment plans as necessary, coordinating across various specialties, in addition to delivery of specific individual treatment modalities.

And return to work is widely acknowledged as a core component of the medical care of an injured worker. We can look to the workers' compensation division's own guidance to attending physicians, which emphasizes this is an important attending physician responsibility and cites clinical studies that demonstrate timely return to work improves patient outcomes. Or, we can look to the American College of Occupational and Environmental Medicine and their own treatment standards, where they establish incorporating stay-at-work and return-to-work efforts as best practice medical care.

And last, we can look to the statute's outline of MCO obligations, which includes engaging in cooperative efforts to promote early return to work. This is why we oppose the proposed motion. Thank you.

2. **Maureen Sacon, medical provider**

Good afternoon. My name is Maureen Sacon. I'm a board-certified neuromusculoskeletal medicine / osteopathic manipulative medicine physician. I've been in the injury recovery business, including serving as an attending physician in the Oregon Workers' Comp system for 29 years. Watching how Majoris has recently expanded their involvement into aspects of claim management other than medical care is very concerning to me.

So, when I heard about this meeting, I canceled my afternoon patients and drove to Salem to tell you some of my experiences. In my role as an attending physician, I speak to adjusters and lawyers for both sides. I express my opinion. The person on the other side of the phone might make an argument why they disagree with me. Sometimes this sways me to change my opinion and sometimes it does not.

When I'm on the phone with Majoris, the tone of the conversation can be very different. The pressure to change my opinion just doesn't stop. I can tell them they didn't alter my opinion. I can plead to agree to disagree. I've asked just how do I get off the phone? Please allow me to get off the phone, but the battery just doesn't stop. Let me give you a recent example.
This young lady was having trouble regulating her autonomic nervous system after a head injury, and I had a call with a Majoris physician. I was told many times that legally I'm required to state

what type of work the patient was capable of performing. I replied that I understood that duty and that I did not feel she was ready to return to work at any level. After some badgering, I did finally agree to release her to one hour of light duty for three shifts per week. She needs medical transport to get to her appointments and would need this to get to her job as well. This pressure was happening around the same time. There was a six-month period where additional treatment was not being approved or denied.

I want to tell you I was paid $56 for this phone call. I was not paid for the first two calls that were scheduled. They didn't happen for reasons. This is why I refer to Majoris as my charity work. The $56 does not come close to covering my overhead. And isn't one of the biggest problems facing the workers' comp system at Oregon that there are not enough physicians willing to serve as attendings, especially on the Majoris panel?

This is why mid-level providers are now being allowed to serve as attendings, right? Well, why don't physicians want to be attending physicians? To start with, doctors get paid less to see patients enrolled in the MCO, but then far worse, they have higher levels of unpaid administrative work associated with these patients. So more work for less pay. And not the fun kind of work either. I mean, everybody knows how much physicians hate paperwork. I'd like to close by requesting that you don't assume that Ron Bowman's assessment of 20% increased administrative burden is true for all physicians. I can tell you for me, it is much, much higher. My friend describes the problem by saying Majoris patients are 10% of my practice and 90% of my problems. Allowing Majoris to expand their control into more aspects of claim management is just going to make this map even worse. More doctors will not renew the contracts and in the end patients will suffer.

3. **Keith Semple, OTLA**

Keith Simple, Oregon Trial Lawyers Association. One of our colleagues is the one who brought the concept here. The reason we brought the proposal is because we have seen more and more aggressive efforts to intervene and claim processing issues. A lot of times we see actually a paper trail where the insurer asks the MCO to intervene with things that they don't like that they're seeing going on. And then, you know, we hear that we have additional burdens then that are forced upon the providers. A big part of this stems from the discussion regarding access to care over the summer, some of the things that we heard from the providers suggested that there's a very large administrative burden added by the managed care organization model as it exists right now. And we would like to see some ways that that could be curtailed while still preserving some of the things that managed care organizations are best at.

If there's some input that can be given to make sure that best medical practices are followed or outdated procedures are not being performed, that makes a lot of sense. But we've seen them going so far as to talking providers out of being the attending physician for our clients. Somebody decides that maybe this provider just isn't the right doctor, even in the middle of

litigation, and suddenly the insurer is asking the managed care organization: "why is this doctor still involved? I thought you talked him out of it." We've got plenty of documents and written testimony to submit, so I won't go all the way through it. But, I did bring one of my clients here today. I think he signed up next on the list. His name is Christopher Beardall. He's one of the folks that I've seen downright interference trying to get the attending out of the attending role. Surely, we can all agree that that's not what MCOs were designed and ordained to do here in the system. It's understandable that doctors don't want to participate if they're being forced to pay for the privilege of doing a lot of extra unpaid administrative work. So, we're here today to ask some consideration for some guardrails here, even if there's no rules that are proposed, perhaps an industry notice to kind of clarify some of these gray areas where we're seeing operations that seem to inhibit provider participation, which is a very big concern for all of us.

4. **Christopher Beardall, injured worker**

Hi there, my name is Christopher Beardall. On October 6th, 2025, I was assaulted by a youth at my residential facility. As a result of that assault, I was diagnosed originally for simply a knee injury by the original attending physician.

This attending physician did not refer me to any other type of doctors to seek further treatment; they simply told me I had a knee injury. I attempted to return home to normal work, I then returned to my parents. I simply returned to my parents— speaking to them, loosely sleeping, head injuries. Everything you could think of was happening all at once. Since that day, I sought every type of treatment I could, but Majoris would not let me. Afterwards, I had to look indirectly through the Majoris board system to find my currently attending physician.

Since the day I met him, he's been helping me get the best treatment possible, has been working on a neurological treatment. He's approved referrals for further neurological evaluation and has explored nerve block treatments, a procedure that could help directly with the pain in my neck, head, and leg. He is not guessing, he is my doctor and has the plan.

Right now, Majoris has placed "pending" on each one of my treatments due to the fact that they don't believe me. That, "based on the IME and position of the original attending physician, [I am] perfectly fine."

Majoris did not simply deny our claims. They went directly to my doctors. They went and talked to my attending physician, basically informing him that he was not suited for my case. They suggested that if I was going to receive treatment, that it should not come from my preferred attending physician, that he should step aside and I should have a normal primary care physician. As that seems something simple, it's affecting my life. Every day I've been trying to find the proper treatment for my head. I'm sorry for speaking like this right now, but I can't bear the pain that I have going on. And I'm sorry if I keep pausing. I'm just trying to write this as much as I can. But basically, what I'm trying to say is, I tried really hard to get as much possible care, go

through the system, trying to just get back to work. But every single time my current attending physician has sent out a report of what we need to do for our current plan, Majoris has gone to talk to my doctor directly stating we need to build a specific plan of care. They've stated that he is not suited and had him send my case to an "actual attending physician that can help with my rehabilitation."

Well, the unfortunate part of that is now I've been waiting three, six months just for that to be accepted and that's still pending. So, currently I'm living off simply medications and just trying to work a full-time job just to get payments done.

5. **Maria Beardall, mother of injured worker**

I'm Maria Beardall. My son, Christopher, was seriously injured while performing his job duties. Since that day, my son has struggled with cognitive impairments, including difficulty processing, delayed reaction times, and inability to tolerate external stimuli. The challenges created by his injury were compounded by the complexity of navigating the workman's comp system. His initial physician failed to recognize the extent of his head injury and did not adequately acknowledge the seriousness of the symptoms.

Because of his cognitive limitations, my son was forced to rely heavily on family members and his support system to help him coordinate care. Eventually, my son found a physician in the MCO Majoris who understood the nature of his injuries. This doctor listened carefully, validated what my son was experiencing, and treated him with compassion and respect. He was willing to step forward and assume the role of attending physician. He did so because he believed my son deserved appropriate care and he was someone willing to advocate for his medical needs. Unfortunately, rather than supporting that treatment relationship, the MCO Majoris created obstacles. We witnessed efforts that appeared designed to pressure this physician, such as the suggestion that he relinquish the case and transfer my son's care elsewhere. Despite the physician's confidence in his ability to appropriately manage and coordinate treatment, his qualifications and capacity to serve as attending physician were continually scrutinized directly by the MCO and SAIF, the workman's comp carrier. For example, they requested an interview to determine if he was qualified. He's had to contend with obstacles and interference from both Majoris and the workman's comp carrier while simultaneously focusing on my son's treatment. No physician who is acting in good faith and advocating for an injured worker should have to divide their attention between providing necessary medical care and defending their ability to do so. The attending physician's energy should be devoted to helping the patient recover, not responding to repeated challenges that interfere with the continuity of care. In Eugene and Springfield area where my son is located, there's already a limited amount of physicians who will accept workman's comp cases. The interference on behalf of Majoris and the obstacles they create could further hinder a physician's willingness to accept cases, which in turn limits a worker's accessibility to appropriate care.

As a family, it is deeply concerning to watch a physician who is willing to step up and advocate this system face resistance simply for doing what he believes to be medically appropriate. The result is additional stress and uncertainty during a time when my son needs stability, support, and access to care his physician determines is necessary. Thank you for your time.

6. **Elaine Schooler, SAIF**

Thank you. Good afternoon. Just to add a little bit of historical context, managed care organizations were created as part of the Mahonia Hall Reforms in the 1990s to create appropriate safeguards for care, strong return to work partnership between insurers, workers, and employers. Managed care organizations improve access to care and the quality of the care. The proposed changes are narrowly rooted in one subsection of the statute, but in fact, the statute allows MCOs to do much more than merely approve medical services. The state partners with MCOs to assist workers in their recovery while ensuring quality, timely, and appropriate care, consistent with best practices and medical guidelines. This includes the appropriate use of known treatments and methods to encourage a worker's recovery and return them to work when appropriate. Workers who are enrolled in the MCO are subject to the contract. The attending physician and the MCO also enter into a contractual relationship that establishes the appropriate treatment guidelines, protocols, and standards of care. The administrative rules also allow for dispute resolution when those two entities are at odds with one another and allows for a resolution when there is a disagreement. Intertwined in the medical services provided are an assessment of the worker's physical abilities at specific points in time and their ability to return to work. It is specific to that injured worker based off of their physical abilities. Benefits in care are rooted in our system with the attending physician. Medical care extends beyond that physical examination, and it's that partnership that is so important. Requiring the provider to evaluate and treat a worker based on these treatment guidelines and protocols touches on those benefits, but does not determine the entitlement that still rests with the insurer.

The MCOs have express statutory authority to extend a provider's ability to provide work restrictions. Most recently, that was changed for nurse practitioners and physician associates, but remains for chiropractors. The narrow interpretation restricts MCO's beyond the statute.

MCO assistance is not to control benefits. Rather, it's to guide workers along their path to recovery. That's an important partnership that requires cooperation, as well as communication between the MCO, the insurer, the attending physician, and the worker. You can't have one without the other. And in times there will be communication between two of those that does not necessarily involve other parties that are part of that recovery process.

The determination of permanent total disability rests with the insurer, but it is rooted in a medical provider's assessment of a worker's physical abilities. Whether a worker is medically stationary is based off of the provider's assessment of the condition and is rooted in best practices and

treatment guidelines that the MCO is supposed to apply and engage with the providers in managing the care and recovery of injured workers. Thank you.

7. **Ryan Hearn, MLAC**

Good afternoon. My name is Ryan Hearn, MLAC member on the management caucus. I'm also a workers' compensation manager with more than 15 years of experience. I work every day with injured workers, their doctors, and our managed care organizations. Thank you for letting me speak. I want to start by saying that the concerns you heard deserve to be heard. When an injured worker feels unsure about who is making decisions in their care, that matters. And I understand why it came up. No worker should ever feel punished or unheard during their recovery. But I'd offer that the answer to those concerns is better communication, not less coordination. And that's exactly what the MCO has helped us deliver.

But I'd ask you to weigh those concerns. Again, it's what I see on the ground, which is very different. From an employer's seat, the MCO has not replaced the treating doctor. Their work status, their treatment plan, the decisions about someone's recovery, those still come from the attending physician. What the MCO does is help that care actually happen.

Let me be concrete. Before we'd worked with an MCO, an injured employee could wait weeks for the right specialist, with phone calls bouncing between our office, the clinic, and the insurer. Now there's one coordinated point of contact. Appointments get scheduled faster. The worker isn't left guessing. The speed is not a paperwork win. It's a person getting their shoulder treated before it stiffens and getting back to life sooner.

The second thing that MCO gives us is communication and consistency. Everyone—the worker, the doctor, and the employer—is working from the same information. That has cut down on the confusion, mixed messages that used to leave injured workers frustrated and feeling forgotten.

And third: return to work. The MCO helps the treating physician’s restrictions turn into a real, safe, modified duty plan. That's how we bring someone back at light duty instead of leaving them home and disconnected. Staying connected to work within the doctor's limits is one of the best things for recovery, physically and financially.

So my ask is simple. Please don't let these let three concerns undo the system that is working so far for so many workers. The MCO model already keeps medical decisions with the treating physician. The structure is sound. If there's a communication gap in an individual case, let's fix that case. But, I'd urge you not to scale back the coordination itself, because that coordination is what gets workers treated faster and back to their jobs when they want to return. Thank you for your time.

8. **Scott Winkels, Oregon Business & Industry**

Good afternoon. For the record, I'm Scott Winkels and I'm representing Oregon Business and Industry. Our organization, OBI, serves as the statewide chamber of business. For the state of Oregon, our members employ approximately 250,000 Oregonians.

Oregon's current workers' compensation system did not come about by accident. The injured workers in the state can count on receiving quality care while employers enjoy the 38th lowest premium rates in the country as a result of cooperation and compromise by all stakeholders and their continued engagement. The proposed changes to Division 15 will erode that cooperative effort made under the Mahonia Hall Agreement and will be harmful. We believe it would ultimately be harmful to employers and to the workers we're seeking to serve. When we go back and read the Mahonia Hall Reforms, we find that one of the central tenants was and remains a managed care system that controls costs while providing high quality care for workers.

The proposed draft changes erode that. Preventing a managed care organization from communicating and coordinating with an injured worker's health care providers, as you've heard previously, is not considered a best practice and we believe would ultimately harm the people we are seeking to serve.

For these changes to be beneficial, we would have to believe that there's no link between a worker's medical care and the necessity or duration of a temporary disability authorization. And we would also have to believe that the authorization of vocational services was not linked to that coordination of care.

I appreciate the people who came here today. Our system is based on engagement from all parties and everyone should be heard. I also believe we need to hear clearly why the existing dispute resolution process was insufficient to address the solutions, to address the cases that were presented.

If this does proceed to a formal rulemaking, we would like to see some analysis as to whether or not doing so in the court and eliminating that coordination is in fact a best practice in the interest of all parties. Affordable workers comp rates are one of the few bright spots in Oregon's ability to attract investment to the state and additional employment. We urge the division to consider the impacts of changes in a holistic manner that's consistent with that Mahonia Hall Agreement. Happy to take questions.

9. **Jovanna Patrick, OTLA**

For the record, Jovanna Patrick. I represent injured workers. I'm here on behalf of OTLA. I support the concept that's being put forward. I think what we've heard is some question about whether these are individual cases. And what we came forward with is because we see systemic interference with cases, case after case, which is why we brought this forward. I did want to give

an example, though, because it's one thing to say there's interference with cases. It's another to really ask, well, what does that look like in practice? And so I wanted to share one of those experiences where I believe that the MCO was overstepping their role and working with the insurer to prevent the worker from getting benefits rather than helping the worker get benefits. I had a worker with a fully accepted claim, no denials. The attending physician within the MCO sent them to a physical capacity evaluation that found that they were permanently, totally disabled, that they could not return to any work. We agreed to go to mediation, on those two things: the determination they could not go back to work and the agreement to go to mediation happened. Within weeks, we got a letter from the MCO that said that the worker must change from the attending physician who supported her permanent total disability to a very specific doctor—not only have to change to a certain type—you have to change to this doctor. And you have to do it within 30 days or your treatment will not be compensable. I found it very suspect that the MCO was using the words "compensable" when that's not their determination. And, this happened within weeks of the attending physician saying that the worker needed permanent benefits, very costly benefits, and they then directed them to a very specific doctor. That is not choice. And when I asked further about it, I found out that particular doctor was not even willing to see my worker. That doctor rejected my worker. We did the three doctor letter. We were told by the MCO that there's not a single doctor in the discipline available. They did not drop it. They still insisted the worker change, even though they could not find her a doctor. This showed me this was not about the worker's benefits, the worker's medical services. This was about keeping the worker away from the attending physician who had just said that she was entitled to significant benefits.

I had another worker who had a long litigation. She got her claim finally accepted. The MCO told the attending physician: "you can do four osteopathic manipulations, and then you are declaring her medically stationary." And when the attending physician pushed back, there was emails between the insurance company and the MCO saying, "are you going to get her to change her mind? Oh, I haven't been able to be successful in getting her to change her mind, that the worker needs more services, that if the worker didn't get those services, she would be eligible for vocational benefits." So, unfortunately, we're seeing the MCO replacing the doctor's judgment on medical issues and harassing them and bullying them and trying to separate workers from their doctors who are supportive and that's why we need better guardrails on this system. Thank you.

10. Ted Heus, OTLA

My name is Ted Heus. I'm an attorney, specialized in workers' compensation. I spent the first eight years of my career representing insurers and third party administrators and employers, and now going on the next 11 years representing injured workers. So, I'm very familiar with the laws regarding workers' compensation in Oregon generally, and just recently over the last few years, I've become very familiar with the laws and rules involving MCOs. So, I understand the MCOs were created to make provisional medical care to injured workers more efficient, primarily by reducing unnecessary care, ensuring orderly progression of care or a care plan over what we

talked about. I've heard this told to MLAC by the MCOs themselves that the workers or MCOs are involved in medical treatment, but neutral in the system—they're neither advocates nor adversaries when it comes to workers' compensation benefits. And I believe that's what was intended when they were created in the 90's as a result of Mahonia Hall and amended slightly in 1995. But, the MCOs weren't created by the legislature to be shadow insurance companies. They're not created to assist insurers in processing claims or become involved in eligibility and entitlement to non-medical benefits that are otherwise available to workers under the workers' comp law. And that's what they've become. And I've seen in probably the last five to ten years—especially in the last five years—it's taken off with them being involved in temporary disability, permanent impairment, permanent disability, vocational services, compensability—those issues. So, there seems to be some agreement, though. I've heard that processing plans is not within the purview of MCOs. And so my complaint here is that it's like two ships passing the night. We're hearing completely different perspectives on what is going on in the workers' comp system. And what we're looking for, I think, is a process of oversight. We need someone or some process to be able to sort out what is overstepping bounds, and what isn't. I've looked through tons of orders assessing penalties against insurance companies. But based on my research and my records requests from the department, there are zero imposing penalties against MCOs. So in 30 years of existence, these MCOs have been perfect in everything they've done; there's been no oversight at all. The law explicitly allows penalties to be assessed against MCOs.

I find it hard to believe, especially with my experience, the stories you hear earlier today, that MCOs have never transgressed their statutory authority ever, and never done any kind of misconduct that justifies a violation of statute or rule. So that's the point of the rule we're proposing.

11. David Literal, injured worker

My name is David Literal, and I suffered a serious back injury due to a workplace accident on September 16th, 2025. I prepared some statements for this committee because the experience has significantly impacted my life and has been a source of great adversity and stirs up very strong emotions that could impede my ability to be concise and effectively convey my very negative experiences with insurance companies, workman's comp, and the rapacious, suppressive practices of MCOs.

I was initially diagnosed with a back sprain and placed on work restrictions. I was subsequently given time loss payments, which in theory are supposed to be 60% of a worker's wages, but they work out to roughly 50% of my previous income. This created significant financial hardship for my family and put a strain on my marriage.

I was prescribed physical therapy treatment and massage therapy for pain management. I experienced great difficulty trying to coordinate treatment due to the negligence of the workman's comp agencies. I would call to schedule with both the physical therapist and the

massage therapist and could never get through. They absolutely never answer the phone. So, I would have to drive twenty minutes to their physical office only to find out that the referral wasn't sent, or that my prescribed treatments were in deferment for one reason or another. Consequently, I only received roughly half of my treatments that were prescribed and spent over $500 of my own money driving back and forth to their offices to coordinate treatment.

After several months of sporadic treatment, I was not getting better and was treated contemptuously by the occupational medicine workers. I was shamed and made to feel like I had done something wrong and that it was my fault that I was not getting better. I became so frustrated with the occupational medicine and the therapy agencies that I sought legal counsel. I obtained the legal services of Ted Heus, who miraculously was able to break me out of Majoris Network, and I was given express written permission to procure my own physician.

Dr. Puziss is an orthopedic surgeon with 50 years of experience and came highly recommended by several people, and so I sought treatment from him and he became my attending physician. After reviewing my MRI, he found that there were several things that had been overlooked by my previous attending physician, who is not even a doctor. I came to find out that I had been misdiagnosed either due to negligence, incompetence, or because of internal corruption within the occupational medicine system.

After being examined by Dr. Puziss, I was diagnosed and it was determined that I had several serious issues that needed to be addressed and my treatment plan was completely reworked. I was told that I might not be stationary for another year. Unfortunately, due to the rapacious nature of insurance companies, when they realized that my new treatment plan was going to cost them hundreds of thousands of dollars, they forbid me to see Dr. Puziss as my attending physician.

[At this time, Marie Rogers noted that three minutes had expired. Marie invited David to submit his full statement to the division in writing. Ted Heus asked that David be given a few seconds to complete his statement, which Marie allowed.]

In summation, this experience has had profound impact on my life, both directly and indirectly. I'm currently homeless and going through a divorce all because of this situation. This has had significant impact on my mental health and has exacerbated my mental health conditions. I believe that insurance companies are truly rapacious and that the workers' comp system is a very broken system. I believe that this system is designed to oppress the working class and deny medical care that I am legally entitled to. I'd also like to say one more thing: I recently tried to procure treatment through the doctors that they did approve, who aren't even doctors, and they won't see me because I'm homeless. They will not schedule me an appointment because I'm homeless.

12. Kirsten Adams, Associated General Contractors

Good afternoon. For the record, Kirsten Adams with Associated General Contractors. Thank you for the opportunity to provide comment on the proposed rule related to managed care organizations today. Associated General Contractors, Oregon Columbia Chapter represents commercial construction throughout Oregon and Southwest Washington with approximately 745 members. As many of you know, construction is a safety-sensitive industry and workers' compensation is important to our members and their employees. Oregon's workers' compensation system continues to be one of the best systems in the country with good benefits for workers and lower premiums for employers. And it's critical to all Oregonians that we keep this system working well.

The draft rule today threatens to pull out a string in the complex web of the workers' compensation system in Oregon. Pulling one string can have serious consequences for the stability of the system as a whole. There should be significant conversations beyond today's, including conversations at MLAC before any such changes occur. MCOs play a valuable role in the workers' compensation system by ensuring that the care for injured workers continues to be on track and also supporting the physicians providing that care. The MCOs bring value in the recovery process by ensuring that injured workers don't slip through the cracks and that there is continuity of care. The changes proposed in the rules would fundamentally change the roles that MCOs play in the system.

The value that MCOs currently bring to the system can't be understated. They help ensure that the care that workers are receiving is appropriate and in line with overall recovery. And this is what is needed in these cases and also to help keep the system as a whole going strong. Clearly, as we've heard today, there are specific issues that have arisen with MCO treatment; we believe that needs to be dealt with on a case by case basis and should be looked at. However, we do not see that there is a need for a wholesale reworking of the MCO role in Oregon's workers' compensation system. We appreciate the opportunity to provide comments today, and we'd request that should this conversation continue, there be considerable, in-depth analysis of potential impacts, as well as conversations at MLAC about what the ramifications of such changes would be to the overall workers' comp system in Oregon. Thank you.

13. Julene Quinn, OTLA

My name is Julene Quinn and I'm an attorney and an appellate attorney; I've represented both the insurance side and currently represent injured workers. I thought it was important to set forth a little bit of the law that I think sort of applies overall to this, to what we're talking about here. First of all, the courts have long held that workers' comp is what they call *sui generis*. I don't know Latin either, but it means that the statutes are what they are.

If the statutes do not provide for it, you cannot do it. If the statutes do not provide for it, you do not get it. It is not the case of, oh, well, if the statutes don't prevent an MCO from doing this, we

can go ahead and do that. It's the opposite. The MCOs are bound by their statutory authority under ORS 656.260. ORS 656.262(1) is very clear, I think people have agreed to this, that only the insurer or self-insured employer can process a claim. Therefore, a managed care organization cannot process a claim. Nothing in ORS 656.260 gives the MCO the ability to process a claim or make decisions on behalf of an insurer. The ORS 656.260, as I read it, allows the MCOs to manage medical and health services. That is not temporary disability. That is not permanent disability.

Asking if a worker has work restrictions is not a medical service. Because you show me a case, please show me one case, where a managed care organization asks the doctor, "can he be released to regular work?" as part of medical services or care plan. It is not. It is solely the determination of either temporary disability or permanent disability. Those are the purposes that the insurance company asks the MCO to ask the doctor. That is what I see uniformly. Now, maybe there's one case out there, but uniformly, the purpose of it is to manage temporary disability or manage a permanent disability, and neither of those are medical services.

And then lastly, I think the most important thing is ORS 656.260 and other statutes allow the director to regulate MCOs. So, the director has the authority to say, here's what ORS 656.260 allows you to do. Here's what it doesn't allow you to do. So, the rule has been suggested by Mr. Heus is something that the director has the authority to give. Thank you.

14. Chris Frost, OTLA

Thank you. I represent injured workers and I'm here on behalf of OTLA and my clients. I have deep concerns related to MCO oversight process. When I first submitted an MCO letter and a client's case to WCD to highlight issues with MCO overreach, WCD contacted me concerned enough with the materials I had supplied that they recommended I file a formal complaint.

I did get my client to agree to filing a formal complaint, and I did take the time to file the complaint, all with no visible result. The current oversight structure is not sufficient.

If the system is going to rely on workers and workers' attorneys making complaints, then penalties and attorney fees should be allowed in that forum, so there is some incentive to spending time and resources and holding them accountable. Likewise, if WCD determines that an insurer can delegate its claims processing duties to MCOs, then the rules that apply to insurers for discovery, notice, timelines, and penalties and fees should also apply to MCOs.

If there is more appropriate oversight, I think we would hear less of the horror stories coming from doctors and clients. Thanks.

15. Amanda Sullivan- Astor, Associated Oregon Loggers, Inc.

Good afternoon. For the record, my name is Amanda Sullivan-Astor. I'm the Forest Policy Manager for Associated Oregon Loggers (AOL). We represent approximately 950 member companies working in the forest management operations business. Many of them are small family-owned businesses, a lot of single-owner operator businesses, and under 10 employees. Through AOL Services Incorporated in our partnership with SAIF Corporation, we help our members access workers' compensation coverage in safety services. Our safety management consultants work closely with member companies to avoid injuries, educate employees, and help businesses manage risk. This work is tireless and requires constant and consistent attention and dedication to safety. That's why safety is one of our five pillars of our organization. Over the years, we have found our members depend on a workers' compensation system that helps injured workers get timely care, recover safely, and return to work when appropriate. AOL supports the important role managed care organizations play in this system.

MCOs help coordinate care, support timely evaluations, and make sure injured workers do not fall through the cracks, especially in rural communities. Thus, we do not support the proposed rule. The proposal would create an artificial divide between medical care and recovery. It would restrict MCO communication with medical providers about medically stationary status, closing examinations, work restrictions, disability determinations, and other related matters. These are not simply claims processing issues or back-end administration. They are medical matters. They require medical judgment and evidence-based guidelines. A worker's treatment plan cannot be separate from the worker's ability to safely perform daily activities. Work restrictions may need to change as the worker heals. Closing examinations must happen on time. Medical providers must be able to share information needed to support recovery and safe return to work planning. A claims examiner remains responsible for the claim and benefit decisions, but medical facts remain medical facts. And even when those facts help inform a benefit decision, the proposed rule could create delay, confusion, and added costs. It could discourage MCOs from communicating with providers. This would make care less coordinated and less effective. Injured workers, employers, and small businesses would all feel the impact. AOL asks the committee to recommend no change to the rule at this time. If there are specific examples, and we've heard some, of improper conduct, those concerns should be reviewed on a case-by-case basis through the existing process.

A broad new restriction is not needed at this time. We do not feel the rationale for the upending of the system is warranted. It could weaken a process that helps ensured injured workers receive care, recover safely, and return to work. Thank you for the opportunity to speak today.

16. Steven Schoenfeld, attorney for injured workers

Hi, thank you. Thanks for asking people to participate in this. I support the concept of finding a way to have some oversight with MCOs. I've been a workers' comp attorney since 1991, solely representing injured workers. I've seen, not just in isolated cases, but in many cases, a systemic problem with MCOs, sort of processing cases and pressuring doctors in the process. So, I don't

disagree with the last speaker who said we need a way to process claims. We need a way to get people back to work. That's fantastic. Everyone agrees to that. But if the insurance company is going to use MCOs to do that, which is questionable under the statute, but if they are, then the MCO should be subject to the same sort of oversight and scrutiny as the insurance companies. Because otherwise, it's like we have a shadow organization that's pulling strings and doing things on the claim, but there's no remedy to do anything about it. And that's what I've seen. And I think that's really what the rule change is about: not to necessarily get rid of MCOs. One employer speaker said this is a wholesale change. I don't see it as that. I see it as creating some sort of oversight to protect the folks who are actually the injured workers. And if you ask any doctor who does this sort of work for workers or attorneys or workers themselves—Majoris makes it very hard, and yet, goes with impunity. There's one more thing I want to point out. Majoris has adopted these disability standards that are not adopted by the state of Oregon, were not adopted by the legislature, but yet they impose them on their doctors. The fact that they have disability standards proves that they're focusing on disability issues, impairment issues, return-to-work issues. But, I had a case recently where I asked for a copy of the disability standards. Majoris said they would not send them to me after they sent me a letter saying that my client's medical treatment was outside the disability standards.

I had to go to the state of Oregon, and Majoris got a lawyer, and I finally got the disability standards that way. The operating standards of Majoris should not be a secret. Their processing should not be opaque and should not be a secret. And we should have some sort of mechanism to regulate what they're doing. So, if they do step out on the bounds, there is a way to kind of deal with it, a structure to deal with it. So thank you.

17. Spencer Aldrich, attorney for injured workers

I'm Spencer Aldrich. I represent injured workers. First half of my career, I was defense, switched to claimants, so I've kind of seen both sides. I kind of just want to respond to a couple of things that I heard here today. I want to pick up on something that Steve just mentioned: It's always been a big concern to me, this idea of opaqueness in the MCOs. I heard today mentioned that there are these contractual things, but the worker isn't really a party to that contract. The worker didn't choose to be bound by that contract. And when we, in advocating for the worker, ask to see the contracts, we're told no. I had a client just the other day who had a surgery that had been submitted to Majoris. It was their job to review, is that reasonable, is it necessary? The client says to me, "well, how long do they have to do that? Because I really need this surgery." And I had to say, "I have no idea. It's contractual, but I'm not allowed to see the contract." So, I can't advise my client.

There's also been a lot of talk today about how the proposed rule is against the Mahonia Hall changes because it's made everything faster and we can't get rid of this speed. I mean, the little note I wrote down is "let's leave the 90s and look at today." I cannot think of a single case that I've had where the MCO has increased the speed as compared to a case where there is no MCO

involved. It's only really two MCOs right now. I have a lot of clients that thankfully aren't stuck in one. And those cases run much, much smoother. They don't have these situations where the attending physician would like to give eight physical therapy sessions and has to have three phone calls from the medical director of the MCO stating, "maybe you should have just been four because we think it should be four." I don't know what they based that decision on, but something. And I see the records and my clients complain. They're not getting the treatment that they need. And it's really just because of this middle step that is all based on these contracts that we just can't look at.

Yeah, I think that's it. That's what came to my mind. So I appreciate the time.

18. Connie Whelchel, KPD Insurance

Thank you. I just really appreciated some of the comments earlier that Chris Frost had made in regard to oversight from, I guess, WCD or WCB. And I thought that was interesting because when a party is dissatisfied with the MCO, there is a mechanism to employ per ORS 656.260 in which you apply to the director for administrative review and then it can progress to a hearing and all that. And so I just feel like if there's a systemic problem with MCO's actions, then I would think there have been many requests for director review. And if that is indeed the case, what does the data show? So, per the reviews I'm assuming are happening, because of how often folks are saying that MCOs are misbehaving, we should have this data. So, when I saw this proposed rule come forth, my first question was: "where is the data to support this?" When requests for review have been sent to the director against the MCO, how were they resolved?

Was it shown that the MCOs were not doing things well? Was it not? I feel like this is premature. I would like to see the data and I would think that it would be out there. Thank you.

19. DeAnna Tapia, Professional Interpreters, Inc.

Thank you. Deanna Tapia, Professional Interpreters. My question starts out with: what's the common denominator here? And I keep hearing "Majoris" over and over, and I know there's three MCOs, but is there a problem with just Majoris? Is it because they're so big, or are there problems and complaints with other MCOs? And along those lines, other common denominators: is there a certain area in Oregon where we're having this problem? I heard somebody speak about Eugene and Springfield. I'm wondering, are the rural areas a bigger problem in not getting what they need? And along that line, if it is just one certain MCO, is there a division in that MCO that is not on board with what's supposed to happen and maybe more training needs to happen or more oversight?

I think MCOs should be a little more transparent about what's going on and their requirements, like some of the attorneys have said. That's kind of all I wanted to ask. I don't know if anybody

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can answer those questions. That's just what comes to my mind when I'm hearing different people speak.

20. Theodore Heus (responding to DeAnna Tapia)

I'll take the first one in terms of whether or not this is a Majoris problem. It's not just a Majoris problem. It's just that Majoris happens to be the focus because Majoris has probably the closest relationship with SAIF and SAIF handles most of the claims. So I think that's just a numbers game, really.

I personally and my clients have experienced problems with both Kaiser and Providence MCO in what we're talking about today. So, that's one of the questions I could I can answer.

In terms of the other question: is there a certain area in Oregon in which there are more problems? Again, it is kind of a numbers game. I've been pretty uniformly successful of getting clients, out of MCOs that are in rural areas. Majoris, Providence, Kaiser can't find physicians and don't have the number of physicians or specialists in those areas.

And so it's usually not an issue. Those people are free to go. Maybe if they can find medical care to begin with, but even the MCOs aren't able to find medical care for those people out in those regions for the most part. So, that sort of answers your question. And the third question was, is there a certain area in the MCOs where we're hearing people are complaining that they're feeling pressured to do things that they don't feel is appropriate. Who is doing the pressuring? What department is there within the MCOs? I'm probably not able to answer that. Thank you.

Marie Rogers, closing the meeting:

Marie confirmed that no additional people wanted to come forward and speak. Marie thanked everyone for their participation and engagement. Marie reiterated that the division would accept written comments through June 18, 2026. Comments should be submitted to wcd.policy@dcbs.oregon.gov. All comments will be posted on our website. And, Marie noted that the meeting minutes would be posted as well, and notice of their posting would be circulated via email to those who provided contact information.

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