

**2025-2026 ACADEMY
BOARD OF DIRECTORS**

OFFICERS

President Eugene G. Brown III, MD, RPh
President-elect Daniel C. Chelius, Jr., MD
Immediate Past President Troy D. Woodard, MD
Sec/Treasurer Ken Kazahaya, MD, MBA
EVP/CEO Rahul K. Shah, MD, MBA

AT-LARGE DIRECTORS

Yuri Agrawal, MD, MPH
Marc G. Dubin, MD
Christine Franzese, MD
R. Peter Manes, MD
David E. Melon, MD
John S. Rhee, MD, MPH, MBA
Karen A. Rizzo, MD
Andrew J. Tompkins, MD, MBA

BOARD OF GOVERNORS

Chair Stephen P. Cragle, MD
Chair-elect Eileen M. Raynor, MD
Past Chair Cristina Baldassari, MD

INTERNATIONAL ADVISORY BOARD

Chair Héctor De La Garza Hesles, MD

COORDINATORS

Cristina Baldassari, MD
Lance A. Manning, MD

EX-OFFICIO

Chair, Ethics Committee
Andrew G. Shuman, MD, HEC-C

To: Members of the Oregon House Committee on Health Care

Date: February 20, 2026

Re: AAO-HNS Support for HB 4054 – Automated Downcoding
Transparency and Clinical Review

Dear Chair and Members of the Committee:

On behalf of the American Academy of Otolaryngology–Head and Neck Surgery (AAO-HNS), which has approximately 13,000 members nationwide, I write to express our strong support for HB 4054.

Otolaryngologists provide specialized care to patients across Oregon with complex conditions affecting the ears, nose, throat, and related structures of the head and neck. These services often involve nuanced diagnostic evaluation and individualized treatment decisions that require careful clinical judgment and thorough documentation.

HB 4054 promotes ethical, transparent, and clinically grounded claims payment practices by establishing clear requirements when insurers use artificial intelligence, algorithms, or other software tools to automatically downcode claims. While technological tools may assist in administrative efficiency, decisions that affect reimbursement and patient access to care must be subject to meaningful clinical oversight. AAO-HNS strongly supports the bill’s transparency provisions.

Requiring insurers to provide timely written notice when an automated tool is used to downcode a claim promotes accountability in claims adjudication and allows providers to respond appropriately to payment reductions.

We also support HB 4054’s requirement that insurers provide an opportunity for a timely appeal before an appropriate medical consultant or peer review body. Meaningful appeal rights are an essential safeguard when a payer changes a billed code to a lower reimbursing code. Ensuring access to clinical review helps maintain fairness, reduce unnecessary administrative burdens, and support accurate payment determinations that reflect the documented complexity of patient care.

T: 1-703-836-4444
F: 1-703-683-5100
W: www.entnet.org
A: 1650 Diagonal Road, Alexandria, VA 22314

Inappropriate automated downcoding can delay medically necessary treatment, disrupt continuity of care, and impose significant strain on physician practices. By strengthening transparency and due process when insurers rely on automated tools, HB 4054 establishes reasonable guardrails that preserve physician-led clinical decision-making while allowing responsible use of technology.

The principles reflected in HB 4054 are consistent with broader physician community efforts nationwide to ensure that automated claims processes include transparency, clinical justification, and meaningful pathways for review.

AAO-HNS appreciates your leadership on this important issue affecting Oregon patients and physicians and respectfully urges the Committee to support HB 4054. Please do not hesitate to contact us if we may serve as a resource.

Sincerely,



Rahul K. Shah, MD, MBA
Executive Vice President / CEO
American Academy of Otolaryngology–Head and Neck Surgery