



Service Employees International Union, Local 503, OPEU

House Health Care Committee
Monday, March 25, 2013
Arthur Towers

Chair Greenlick, Members of the Committee:

SEIU 503 Represents 20,000 care providers who currently do not have employer based health care

- (Child care providers, in home care providers for people with developmental disabilities and the elderly, adult foster home operators.)

Plus an additional 4,200 home care workers who we believe we could potentially move to purchase their health care through cover Oregon.

If all of these units moved to Cover Oregon there is a potential pool of 24,000 working adults across the state, and we would be one of the first unions in America to forego traditional employment-based insurance in favor of coverage through the Affordable Care Act.

Just including the uninsured (not small business or those who buy individual insurance,) if we combined the standards set forth in CCO's with those of public purchasers, and lined those up with the health insurance exchange, this group would represent more than half the health care market in 70% of Oregon's counties. This would provide impetus for real change in the delivery system.

I want to commend Rocky King and his staff for the incredible job they have done in getting the exchange ready to launch and enroll policyholders this fall for coverage starting in January 2014. And I want to commend the Governor for his vision to make health transformation a reality in Oregon.

As we continue to push toward a model of preventive care and cost containment we must continue to look ahead. That is why SEIU is here today to urge the legislature to support the -1 amendment to HB 2118, with some corrections.

There are two models of health insurance exchange structures—one is known as an “open marketplace” and the other is known as an “active purchaser.” Loosely translated, a health exchange that acts as an open marketplace allows all insurers into its exchange with few, if any, rules outside of what is required by the Affordable Care Act.

An “active purchaser” exchange on the other hand is one that takes a more active role in shaping the affordability and quality of those plans offered in its marketplace.

The California Public Employee Retirement System acts as an active purchaser for its members. The organization has used selective contracting-- excluding some plans from the marketplace-- since 2002 and it has actively applied financial performance and customer service metrics in its contracting process.

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And the state of Massachusetts’ exchange acts as an active purchaser for the state by negotiating premium rates.

California’s health insurance exchange is also designing an active purchaser model to help control costs and improve quality as they set-up its exchange.

That is what the members of SEIU 503 would like Cover Oregon to do for the 2015 open enrollment. We want Cover Oregon to be more active in making sure that any of our members who enroll in the exchange will get the best deals and the highest quality health insurance plans available to them.

Even with the federal subsidies, we fear that many of our members will struggle to meet the premiums on the exchange. Or even with the cost-share subsidies, the plan co-pays and deductibles may still be too high and the health care will be under-utilized. At that point, the idea that prevention will save us in the long run is out the window.

That is why we want Cover Oregon to negotiate on premium rates and cost share. If Cover Oregon drives a hard bargain with the insurance carriers then our members know that someone was on their side to help them get the best deal before they have to wade through the many health insurance plan options presented to them.

The -1 amendment does not tell Cover Oregon how to establish a premium negotiation program but we are confident such a system could be designed that fits the needs of Cover Oregon and would benefit Oregon’s consumers.

There are also several other amendments we would like included in HB 2118 (and some of them are reflected in the -1 amendment). Those include:

- 1.) Require Cover Oregon to add at least two Quality Improvement Strategies to its Qualified Health Plans and update these strategies—add, but may not omit—every two years to reflect the need for cost containment and quality improvement.
- 2.) No plan in Cover Oregon may reimburse for “never events.” We have been told that carriers currently don’t reimburse for these events so if this is common practice, there shouldn’t be any harm in codifying it.
- 3.) Qualified Health Plans should submit a plan of action to Cover Oregon that shows those providers with the worst outcomes will be excluded from the QHPs.
- 4.) No plan in Cover Oregon may have a medical loss ratio below 85%.
- 5.) Cover Oregon will adjust the medical loss ratio upward (not down) as insurers improve efficiency.
- 6.) Establish a Quality Metrics Rating Committee for Cover Oregon to align their quality metrics with those of the CCOs where it makes sense.

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This last piece is critically important. While Cover Oregon staff is currently consulting with CCO staff to find complementary alignment on quality metrics, Cover Oregon needs a more formal public process, like the CCO quality metrics process had, to help inform and ensure that the set of metrics being used to develop the star rating for the Cover Oregon plans is also achieving improved care, avoiding waste and lowering health care costs.

We realize that Cover Oregon came up with their set of metrics before the CCOs but we would like to see better coordination and alignment so providers aren't tracking multiple sets of metrics in order to avoid waste and added cost.

We would also like to see a more robust committee for helping Cover Oregon determine the right metrics when this is such a critical component for driving value and sending consumers to the right plans for them in the exchange.

I want to thank Chair Greenlick and Vice-Chair Thompson for the work you've done on the Cover Oregon Legislative Oversight and Advocacy Committee. This is a tremendous amount of work but we must continue to look beyond this fall's open enrollment.

I look forward to working with this Committee and Cover Oregon to make Cover Oregon's exchange marketplace the very best for SEIU's members and all Oregonians.

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