

## Written Testimony of Dr. Bud Pierce, M.D.

May 12, 2013

Chair Garrett and Members of the Committee:

My name is Bud Pierce, MD. I am Immediate Past President of the Oregon Medical Association, Past President of the Marion Polk County Medical Society, Member of the Salem Cancer Institute and the OHSU Cancer Center, and member of the WVP Health Authority Board of directors. I have been in the practice of medical hematology/oncology in Salem for the past 19 years. I testify today in support of HB 3309.

I am passionate about this topic because I am the son of a janitor, and I was raised in a blue collar neighborhood. My father died when I was 14, and I began working for tips at the base commissary at the age of 16. I spent my college years working in a nursing home as an orderly for minimum wage. The Oregon Health Plan/CCO is designed to take care of people from the neighborhoods from where I was raised. It is imperative that the hospitals, physicians, and all members of each CCO use each available and precious dollar to provide necessary services for the poor. A just published article in the New England Journal of Medicine demonstrated that Oregon Health Care recipients, who in the past received current health plan services, were less anxious, were better diagnosed, but did not have improved health outcomes. This is, of course, to be expected, as improvement in the health status of the poor will require good paying jobs, and changes in health behaviors by the poor. The new CCO structure is designed to be community based, and to spend a small fraction of the monies which have been spent upon traditional medical services to help develop innovative lifestyle changing services for the poor. The goal is to decrease illness, and to lower healthcare costs.

Our Marion/Polk County CCO was formed in June of 2012. It has been unable to resolve a payment dispute between my hospital, Salem Hospital, and our CCO. Despite pleas and even a formal meeting at the capitol between members of Salem Hospital and many local community leaders, Salem Hospital has filed a lawsuit, rather than accepting binding arbitration, to settle this dispute. I consider this lawsuit as a polite act of war, which has already cost the CCO and Salem Hospital tens of thousands of dollars, and has derailed the development of innovative programs. While the rich squabble, the poor suffer.

In many communities, a single hospital, or large physician group holds monopolistic power over the health care delivery system. The hospitals and doctors will be required to give, in order for CCO's to work. While they must be kept whole, hospitals and doctors will be required to give up some control, in the matter of care of the poor, in order for the health status of the poor to be improved. The behavior of Salem Hospital, in filing this lawsuit, has demonstrated that a robust regulatory apparatus will be necessary, when a powerful monopoly refuse to participate in good faith in the CCO process. HB 3309 provides such an apparatus, and I urge you to support this measure. Thank-you for allowing me to testify.