

To: House Committee on Health Care  
From: Main Street Alliance of Oregon Small Businesses  
Date: April 24, 2013  
Re: Letter in Support of SB413A, and -2 Amendments offered in the Senate Committee on General Government, Consumer and Small Business Protection

Chair Greenlick and Members of the Committee,

**Main Street Alliance of Oregon, a coalition of more than 1200 small businesses across Oregon, supports SB413A and the -2 amendments offered in the Senate Committee on General Government, Consumer and Small Business Protection.**

The cost of health care for Oregon small businesses has risen unsustainably for decades. Yet the outline of the solution is already clear. Studies have shown that a third or more of all health care spending is spent in ways that do not improve health. In the face of this mounting evidence, it is time for policymakers and health insurance companies to get serious about lowering the cost of care by cutting waste and focusing on prevention—instead of cutting care, raising deductibles and hiking premiums.

Oregon has made encouraging progress by scrutinizing insurers' rate hikes through the state's health insurance rate review program, and this additional scrutiny has helped cut over \$80 million in waste and unjustified costs since 2010. But in too many cases, insurers are still getting away with double-digit rate hikes without showing that they are taking meaningful action to contain costs.

In surveying almost 300 small business owners around the state last summer, we at the Main Street Alliance of Oregon has found that 86% of small businesses in Oregon do not currently have health insurance for their employees - many of these businesses would prefer to offer coverage but cannot afford the high premiums.

Oregon's small businesses and their employees deserve better. Oregon has shown that a strong and transparent rate review program can make a difference in containing costs, but further action is called for to strengthen the program. Insurers should not be allowed to pass along the cost of waste if they are failing to take reasonable steps to contain costs going forward. Health insurance rate review can play an important role in pushing the health care market in the direction of solutions.

That's why the **Main Street Alliance of Oregon supports SB 413A, and especially the -2 amendments that were offered in the Senate Committee on General Government, Consumer and Small Business Protection** that will strengthen Oregon's Insurance Rate Review Process, ensuring that insurance providers will be required to provide all policyholders with information about Oregon's rate review process, the process for providing public comment and the opportunity to participate in public hearings on rate filings. Also, making sure that all policyholders have easy access to the rate review website, and are easily able to sign up for rate change notifications.

The Oregon Insurance Division's rate review program serves as a critical backstop to protect Oregon small businesses and families from unreasonable rate increases. Enacting these common-sense changes will cement Oregon's justified reputation as a national leader in cleaning up health care.

Please create and enforce rules to make these reforms a reality.

Yours respectfully,



Jim Houser, co-chair  
Hawthorne Auto Clinic, Portland



Mark Kellenbeck, co-chair  
BrainJoy LLC, Medford