



**Testimony of the League of Oregon Cities and Association of Oregon Counties
on HB 2279**

To the House Health Care Committee

February 22, 2013

HB 2279 intends to provide an option for local governments to participate in the State's health insurance programs, PEBB and OEBC. However, certain sections of the bill, particularly Sections 20 and 21, appear to be much more than optional. While we understand that amendments are forthcoming to better express the original intent, the League of Oregon Cities and Association of Oregon Counties would like to be on the record in opposition to any mandate to place cities and counties into either PEBB or OEBC.

We are not opposed to the concept of allowing our members to choose either state program as an option for health insurance coverage, if it makes sense for them and for the state's risk pool. For many of our members, it likely will not make sense. An annual study of our members in the city-county pool indicates that it would cost about \$17 million more a year for those employees to go into PEBB from their current plan. And, OEBC rate increases over the past four years have been significantly higher than the city-county pool changes.

A mandate into either state program would place an unnecessary burden on cities and counties that have already negotiated coverage that protects their employees' health and the fiscal health of their communities. These extra costs would be funded by local taxpayers who are challenged to pay for basic services now. We urge rejection of any mandate in HB 2279.