

February 6, 2013

**Testimony to Senate Committee on General Government,
Consumer and Small Business Protection**

Re: SB 413- Bill requiring notification of affected policyholders of rate increase requests

Chair Shields and Committee Members,

My name is Lee Mercer, director of the Main Street Alliance of Oregon. We are a statewide network of small business owners speaking out on issues impacting businesses and our communities. We currently have 1200 business owners on our roster. We are building a statewide leadership circle with the goal of having at least 2 business owners in each of the 60 state House districts. We currently have leaders in about half the House districts, and about 2/3 of the Senate districts.

One of our key areas of concern is healthcare reform. We have advocated for and defended the Affordable Care Act and the formation of Cover Oregon, the Oregon health care exchange. Members of our executive team sit on both the Cover Oregon board and the Consumer Advisory Committee.

In polling small businesses throughout rural Oregon this summer, in a sampling of 350 businesses we learned that:

- 86% of these small businesses do not offer health insurance for their employees.
- 80% were not aware the Cover Oregon will be taking applications from small businesses in October of 2013.
- But 69% would like more information on Cover Oregon, and are hopeful it will provide them with new health insurance options.

So we have been active in encouraging Cover Oregon to push as hard as possible on cost control in the roll-out of the health care exchange. And it is our interest in truly affordable health care for small businesses that has led to our interest in several bills Senator Shields is proposing, including today's bill.

I sent a quick e-mail out to our statewide leadership group in preparation for this session, and of 20 businesses replying, they were unanimous in supporting a bill that will require health insurers to notify affected policyholders when seeking rate increases.

Then we asked them to list rate related issues they are currently having, or have had with their health insurance providers. Those who weren't arguing for eliminating insurance companies altogether and going to a single payer system, which, by the way, polls at 60% among rural small business owners, listed these issues:

1. Frequent rate increases and reduction of benefits by _____.
2. Denial of items covered by policy and having to go through appeals process, rate increases more than once a year, double digit rate increases.
3. I now pay 3 times as much for a policy with a \$7500 deductible for myself and my employees than I paid for one with a \$500 deductible in 2006.
4. Rate Increase without service improvements, or growing faster than the rate of inflation
5. Rate increases outstripping our growth rate as a business.
6. They just raised my premiums every year, and if they gave me a reduced rate, they dropped lots of my coverage, until I was paying for almost nothing to be covered. Then, I just was not able to come up with the monthly premiums at all.
7. Relationship with providers dropped. Big rate increases
8. High rates, no benefits due to high deductible
9. Issues with coverage and rate hikes
10. Relentlessly increasing premiums
11. They are profiteers, whose interest unfortunately is not the welfare of their policy holders, lots of smoke and mirrors - deception is their game
12. The insurance industry has gone unregulated for way too long and they appear to have little interest in regulating themselves. It's time to make them live in the real world like the rest of us.
13. They're blood suckers, aren't they?
14. Also medical billing rates and reimbursements need to be reviewed and charges need to be made transparent.
15. Hospitals should be regulated like mortgages.

As you can see, Main Street businesses throughout the state are livid about health insurance rate increases, and the process around approving them. We encourage you to vote for and move this bill forward.

Thanks for your time and consideration in this matter.

Yours Respectfully,



Lee Mercer

Main Street Alliance of Oregon