

To: Senate Committee on General Government, Consumer and Small Business Protection

From: Jesse Ellis O'Brien, OSPIRG Health Care Advocate

Date: February 6, 2013

Re: Testimony in Support of SB 413

Chair Shields and Members of the Committee,

OSPIRG supports SB 413, a small but important step toward building on the successes of Oregon's health insurance rate review program.

The Oregon Insurance Division's rate review program serves as a critical backstop to protect Oregon small businesses and families from unreasonable rate increases.

Oregon's rate review program is widely considered a national model. SB 413 will make some small changes to the rate review statute to build on the progress Oregon has made so far. Most importantly, SB 413 will enable more robust public involvement in the process by ensuring that policyholders receive notice of large impending rate increases.

Oregon's rate review process was designed to enable Oregonians to have a say in rate decisions that affect them. But without prior notice, most affected Oregonians are unlikely to hear about a pending rate hike until well after it is approved.

SB 413 will enhance the public's ability to participate in the process by requiring insurers to send a simple one-page letter, postcard or email notification including a summary of the rate increase and information about how to provide public comment.

Providing Oregon small businesses with prior notice of rate requests will not only enable greater participation, but will help **provide employers with important information** about trends in costs that will help them plan for the future.

SB 413 will build on the work accomplished since the passage of HB 2009 (2009) empowered the Insurance Division to scrutinize rate increases more thoroughly. OSPIRG estimates that this heightened review has **cut over \$80 million** in waste and unjustified costs from premiums. The Insurance Division's policies have also enabled unprecedented transparency, establishing public access to all filing documents and holding public hearings on all major rate increase requests.

Oregon has shown that a strong and transparent rate review program can make a difference in containing costs. **OSPIRG urges your support for SB 413** as a small but important next step.