



Testimony on House Bill 2216

**By Ken Provencher
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**House Health Care Committee
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For the record, I am Ken Provencher, president and CEO of PacificSource Health Plans and a member of the Oregon Health Leadership Council. I am pleased to appear today in support of House Bill 2216, which is part of a larger plan to make the Oregon Health Plan sustainable through the next biennium.

The Oregon Health Care Council consists of 30 of the state's major health care leaders from health plans, health systems and physician groups. We support Governor Kitzhaber's budget to sustain the Oregon Health Plan, including extension of the hospital assessment.

Formed in 2008 at the request of four business groups – the Oregon Business Council, Oregon Business Association, Associated Oregon Industries and Coalition of Health Care Purchasers – OHLC was charged with slowing the growth of health care costs and insurance premiums.

Two years ago, the Governor asked OHLC to extend its work, in his words, "to bend the cost curve on Medicaid," which is critical to retain coverage for lower income Oregonians and avoid cost shifts to businesses and employees with private health insurance.

Early 2012, OHLC collaborated with the Oregon Health Authority on a plan to fully fund the Oregon Health Plan for 2013-2015, enabling the state's new Coordinated Care Organizations to adequately get underway. The goal was to recommend a funding package to the Governor that he would incorporate into his 2013-15 Balanced Budget. The package has several components including an additional 1 percent of the hospital tax assessment to fund a Hospital Transformation and Performance Fund.

The vision of Coordinate Care Organizations (CCOs) is to reduce the overall cost of providing health care while improving patient outcomes. Much of the savings from the health care transformation will need to come from the reduced utilization of hospital services. The Hospital Transformation and Performance Fund will assist Oregon hospitals and their staffs in the transitioning to delivery methods that significantly reduce overall hospital utilization, while focusing on improving patient outcomes.

It's important to recognize the on-the-ground realities of what it will take to make the changes envisioned in this new form of health care delivery. Ensuring a level of stability for Coordinated Care Organizations and creating incentives to reinforce and expedite those changes makes business sense and we encourage your support of this part of House Bill 2216.