



House Consumer Protection and Government Efficiency Committee

Testimony in Opposition to HB 3160, HB 2525

Chair Holvey, Vice Chairs Lively and Richardson, and members of the Committee, thank you for the opportunity to provide testimony regarding our concerns with HB 3160 and HB 2525.

PacificSource Health Plans is an independent, non-for-profit health plan that, through its family of companies, serves commercial, Medicaid and Medicare lives in Oregon and throughout the Northwest.

We are opposed to HB 3160 and HB 2525 as well as the companion bills on the Senate side (SB 512, SB 513, SB 514 and SB 686). These pieces of proposed legislation are unnecessary and if passed, would set up a system of dual regulation that would add an additional layer of fragmentation, cost and confusion. Under the current system, consumers have ample opportunity to challenge coverage decisions, including two levels of appeal through the insurer, one level performed by an independent review organization selected by the Oregon Insurance Division (OID) (which is available to consumers in most situations), involving the OID directly, and filing an action in state or federal court. Consumers do not exhaust these opportunities *today*, so adding even more layers is unnecessary and begs the question of what problem these bills are aiming to solve.

HB 3160 and HB 2525 are:

Unnecessary:

Oregon's small group and individual market is one of the most strongly regulated in the country. The Department of Consumer and Business Services (DCBS) employs a variety of tools to ensure that health care purchasers in Oregon are being treated fairly. These tools extend beyond ensuring that health plans adhere to trade practices within the insurance code. DCBS responds to consumer complaints, conducts ongoing market surveillance and undertakes in-depth investigations that can result in substantial recovery of funds for Oregonians who have been treated unfairly. Furthermore, DCBS is granted significant authority to penalize, through a variety of mechanisms, insurers who violate the Insurance Code.

Confusing:

A system of dual regulation creates unnecessary fragmentation. The potential for conflicting administrative rules, determinations and remedial action will both triangulate the process and create confusion.

Costly

Oregon's economy is still fragile and is making a slow recovery from the recent economic recession. At a time when state policymakers and healthcare stakeholders are focused on aligning efforts around state and federal health reform, which includes streamlining services and reducing administrative overhead, these bills seek to add an entirely new layer of unnecessary oversight and related costs. We believe this would be an irresponsible decision to make.

PacificSource Health Plans encourages committee members to vote in opposition to HB 3160 and HB 2525.

Thank you.

About PacificSource Health Plans

PacificSource Health Plans is an independent, not-for-profit community health plan serving the Northwest. Founded in 1933, PacificSource is based in Eugene, Oregon, with local offices throughout Oregon and in Idaho and Montana. The PacificSource family of companies employs 700 people, serves more than 300,000 individuals, and has 6,200 employer clients throughout the Northwest. PacificSource Community Solutions, Inc. is a related entity of PacificSource Health Plans and is the Coordinated Care Organization in Central Oregon and the Gorge. You are welcome to contact **Ken Provencher**, President and CEO, at (541) 684-5286 or (800) 624-6052, ext. 2286, or by e-mail at kprovencher@pacificsource.com, or **Marian Blankenship**, Director of Government Relations/Executive Director of the Charitable Foundation at (541) 684-5221, or by e-mail at mblankenship@pacificsource.com.