

March 25<sup>th</sup>, 2015

TO: Senate Committee on Health Care, Sen. Monnes Anderson, Chair

FROM: AARP Oregon

RE: Health Care Price Transparency Legislation

AARP Oregon is pleased to see robust discussion about the issue of price transparency in the health care arena. AARP is committed to working hard to ensure that Oregonians have access to high quality health care they can afford. We believe that price transparency is a factor in ensuring market forces will lead to better health and better care at lower cost. Our national policy priorities document provides the following principles regarding this issue:

Greater accountability through transparency coupled with informed decision making, quality, resource use, and price information would allow consumers and purchasers to make better informed decisions through the use of public reports on a range of standardized measures assessing physicians, hospitals, health plans, nursing homes, and other institutions and health care providers. Programs need to be developed to support patients' use of such information. Savings would follow if patients are drawn (e.g., through physician referrals) to the practitioners and providers with the most efficient and effective practice style.

The efforts to address this issue have taken the form of three pieces of legislation before you, all of which contain merit. SB 900 utilizes existing data and establishes a single, simple to understand public website for access to information. This approach allows for greater access to information without overwhelming consumers. While using existing data from an existing database.

SB 891's positives include a broader scope to include not just hospitals but also ambulatory surgical centers and other medical facilities often utilized by health care consumers. While it proposes transparency of much more data, it would also allow for third parties to use the data to create easy to understand portals and tools for consumers to use – at no cost to the state. It also uses multiple modalities of delivery of information to give consumers access; not just a state web page, but printed info at the site of “purchase”. Finally, it explicitly would require that consumers be given information regarding charitable and other benefit programs which may help address costs.

SB 665, establishing a hospital rate commission, also is intended to provide for accountability and transparency of health care costs while following an approach similar to that now pursued by the Oregon Department of Consumer & Business Services when looking at rate setting by insurance carriers.

We are encouraged to see diverse stakeholders all looking at ways to provide more information to the public about health care costs. Through these discussions, we expect improvement in access to information that ultimately leads to lower costs, better care, and better health for Oregonians. As these complex discussions continue, we urge the legislature to consider AARP's principles as a lens to view proposals through.