



Testimony on Minimum Wage  
Senate Workforce Committee  
April 13, 2015

Thank you for the opportunity to submit written testimony in regard to proposals to increase Oregon's minimum wage. Cambia Health Solutions has approximately 2,500 Oregon employees. Our compensation includes not just wages, but also generous time off (minimum 17 days annually), subsidized health insurance, and other benefits available to all employees.

Within our workforce, we have a significant number of employees whose wage earnings are now above Oregon's minimum wage but whose base wages would be affected by proposals that range up to a \$15 per hour minimum. It also is important to note that any significant increase likely would have a compression effect on wages above a new, higher minimum, making it more challenging to manage total compensation to attract entry level talent and provide opportunity for upward mobility to our hourly workers.

It also is important to note that administrative costs of our health insurance businesses are regulated by the federal government, and we cannot exceed those regulatory thresholds. In addition, the Oregon Department of Consumer and Business Services regulates administrative costs for Individual and Small Group health insurance products through its premium rate review process. In other words, our administrative costs must remain within a global budget in large part determined by regulators.

If the State of Oregon forces an increase in base wages, then it also effectively would force evaluation and possible adjustments to other compensation, as well as comparisons to other states where we operate, in order to responsibly meet expectations of our regulators and customers to contain administrative costs.

Just as employers like us must evaluate wages in a broader context of total compensation and benefit costs, we urge the Workforce Committee to evaluate minimum wage proposals in the broader context of existing state requirements as well as other policy actions likely to be taken by this Legislature.

Respectfully submitted by:

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