

# Legislative Testimony

**Committee:** Joint Subcommittee on Human Services

**Bill:** Senate Bill 900A

**Date:** June 8, 2015

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Chair Bates, Chair Nathanson, and Members of the Committee:

Good morning. My name is Kevin Campbell and I represent the Oregon Association of Hospitals and Health Systems. On behalf of Oregon's 62 hospitals, health care systems, and the patients we serve, thank you for the opportunity to comment on Senate Bill 900A.

Oregon hospitals strongly support Senate Bill 900A, which would deliver real and meaningful hospital price transparency to Oregonians. SB 900 will make essential information available to all consumers to support health care decision-making. For individual consumers, this bill will offer median price data that can help them understand how prices may vary between hospitals; vital information for the five and a half percent of Oregonians enrolled in high deductible health plans.

But the true power of this bill is much greater. SB 900 will provide actionable data to the single largest group of health insurance consumers in Oregon – employers. Ninety percent of Oregonians with private insurance are insured through their employer. Collectively, the Oregon business community covers more than two million lives, and on average pays nearly 85% of the applicable premium dollars. Back of the envelope calculations suggest that Oregon employers spend north of six billion dollars annually on health care benefits.

Over the past decade, double-digit increases in health insurance premiums have eroded the ability of Oregon businesses to expand benefits, offer more generous salaries, or hire additional workers; with predictable outcomes with respect to the greater Oregon economy. Ever-rising premiums threaten the sustainability of current benefit levels, and the competitive ability of employers that continue to provide health insurance.

For Oregon businesses, SB 900 represents a key tool to managing the cost of health insurance and keeping premiums low for their employees and the families of their employees. By publishing median price information, employers will be able to work with insurers to develop high value provider networks that will steer employees towards facilities that offer high quality care at lower prices. Reduced premiums will allow businesses to maintain generous contribution amounts and result in employees taking a larger portion of their paycheck home.

The cumulative effect of Oregon's predominant health insurance consumers directing individuals to lower cost facilities will positively impact overall health care spending. This is the essence of the cost prong of the Triple Aim: lower cost and ensuring the long-term affordability of care.

But the value of this data doesn't end there. As you are all well aware, Oregon is several years into its experiment in health care system transformation. The transparency website envisioned in SB 900 is the next step in the evolving health care landscape, and is essential to Oregon providers forming and maintaining successful CCOs, ACOs, and other integrated care arrangements that lower the year over year cost of care.

Hospitals support this bill, not because it makes life easier for them (it doesn't), but because they recognize where we as a society are moving. Lowering the cost of care requires transparency of

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information that is meaningful, accurate, and comparable across similar organizations. We believe that SB 900 succeeds on all of these counts by using an existed, validated dataset, and compiling the information onto a single website.

OAHHS strongly urges the Committee to support SB 900 and provide Oregonians with the information to drive lower costs in health care. Thank you for your attention. I am happy to take any questions.