

February 23, 2017

Senator Betsy Johnson and Representative David Gomberg, Co-Chairs
Joint Ways and Means Subcommittee on Transportation and Economic Development
Oregon State Legislature

Re: HB 5512

Co-Chairs Johnson and Gomberg, and members of the Committee:

OSPIRG enthusiastically supports the Department of Consumer and Business Services (DCBS) 2017-2019 budget. OSPIRG has worked closely with DCBS in recent years to advance critical consumer protections and services that are making a difference for Oregonians across the state every day. We can attest that the agency meets the highest standards for transparency, proactive engagement of stakeholders and the public, and dedication to serving the needs of all Oregonians.

DCBS's efforts to engage all stakeholders never fail to impress. For example, the insurance regulators at DCBS's Division of Financial Regulation holds parallel stakeholder meetings each quarter with industry and with the advocacy community, with the same agenda at both meetings to ensure transparency about DCBS's priorities for all interested parties. These kinds of efforts help DCBS build the kind of trust and goodwill that have enabled a number of their recent policy proposals—even on controversial issues like the regulation of health insurance networks—to make progress on a consensus or near-consensus basis.

From 2011-2016, OSPIRG Foundation was fortunate to have the opportunity to partner with DCBS to provide a voice for consumers in Oregon's uniquely transparent and open health insurance rate review process. Throughout that period, DCBS demonstrated their commitment to continuously strengthening scrutiny of health insurance rate proposals, expanding efforts to hold insurers more accountable for cost containment and quality improvement, and making the review process itself as open and accessible as possible—all while, in our estimation, the rate review process helped cut approximately \$200 million in unjustified costs from health insurance premiums for Oregon consumers and small businesses. While the grant that enabled this specific partnership has been repurposed by the federal government, we have no doubt that DCBS's work in this area will maintain and build upon Oregon's status as a national leader.

Having taken over the administration of Oregon's Health Insurance Marketplace with the passage of SB 1 in 2015, DCBS has managed a once-troubled program with great effectiveness. DCBS has overseen significant enrollment increases in both 2016 and 2017, implemented a first-in-the-nation coverage program for Oregonians from the Compact of Free Association nations, and provided invaluable real-time support to consumers across the state. Although this work has

received only the tiniest fraction of the public attention of the difficulties the Marketplace faced in previous years, it is an important success story. In a time of uncertainty about the future of health reform at the national level, DCBS's Marketplace work will face unique challenges in the times ahead, and it will be critical to ensure that the Department can continue to do everything it can to help Oregonians connect with affordable health coverage.

Across the board, DCBS's consumer protection programs will only grow in importance in the coming years. Given the widespread uncertainty about the current federal government's commitment to its own consumer protection responsibilities through agencies like the Consumer Financial Protection Bureau, it is absolutely essential that Oregon consumers have a strong champion at the state level. To ensure that DCBS can continue and build on their critical work, we urge you to support the Department's 2017-2019 budget.

Thank you for your consideration.

Jesse Ellis O'Brien
OSPIRG Policy Director