



American Association of University Professors

Academic Freedom for a Free Society

April 14, 2017

Representative Mitch Greenlick, Chair
House Committee Health Care
Oregon State Capitol
Salem, OR 97301

Re: House bill 3428 - Oppose

Chair Greenlick and members of the Committee,

My name is Erna Gelles. I am an Associate Professor Emerita of Public Administration and Nonprofit Management at Portland State University, where I've taught since 1998. I am also the Vice-President for Political Action of the Oregon State Conference of the American Association of University Professors (AAUP-Oregon). Thank you for your service to our state, and thank you for the opportunity to submit testimony to you today.

On behalf of the more than 3,400 members of the American Association of University Professors in Oregon, our collective bargaining faculty chapters at the University of Oregon and Portland State University, and our faculty members across Oregon, I am here to ask that you *please oppose HB 3428.*

HB 3428 takes a dramatic step in abolishing the Oregon Educator Benefit Board (OEBB), the public school counterpart to PEBB, and has all the administrative functions currently performed by OEBB transferred to PEBB. PEBB, at the same time, would become an administrative agency that is no longer obligated to provide health benefits to anyone. Virtually all public employees in Oregon would be enrolled in coordinated care organizations (CCOs) that contract with the Oregon Health Authority, the agency responsible for administering Medicaid through CCOs in Oregon through the Oregon Health Plan (OHP). And while CCOs have many laudable goals, early evaluations conducted by Providence Center for Outcomes Research & Education, PSU and Intermountain Health Care suggests that they are still unable to meet their metrics on access and are very much still in developmental modes. To make such a dramatic shift to a comprehensive new modality at this time when incremental adjustments to PPOs (preferred provider and medical home systems) that have been shown to have similar efficiencies to CCOs, does not make sense.

In addition, HB 3428 disregards the fact that health benefits are bargained by the unions representing our state campuses and public employees, and to restructure the system so comprehensively would result in the need to open negotiations that would result in ongoing uncertainty. In its call for comprehensive reform HB 3428 also disregards the fact that HMOs like Kaiser and PPOs like those Providence offers provide choice opportunities that incorporate many coordinated care options through medical homes. These have stood the test of bargaining and address many of the finance and strategy of care models fundamental to CCOs.

If HB 3428 were to become law it would have numerous negative effects on Oregon's hard working university faculty. A move from the current member plans to basic medicaid style CCO health coverage represents a significant reduction in benefits for our members, limiting choice that could negatively affect recruitment and retention of world class faculty. For example, faculty are expected to travel for their work, attending conferences and symposia both domestically and internationally; under their current plan options they do not have to worry about health care coverage when they do so. CCOs are oriented toward medicaid delivery and not active employees. As such the CCO model may not be able to provide medical services when members are traveling outside the service area. Thus, if HB 3428 were to become law, Oregon's public university faculty would likely find themselves in a position where *they would not have medical coverage if they traveled abroad for work, or even if they found themselves in certain parts of the United State itself.*

The CCO model required under HB 3428 might be the right solution for the delivery of OHP participants, but it is not the right delivery of health benefits to a competitive marketplace where the limits of basic medicaid insurance could be an incentive for highly educated faculty to seek employment elsewhere.

For years Oregon's hard working faculty have forgone increases in pay that similarly situated faculty in other states have received. We've done so with the promise that we would instead receive better and more secure benefits, including health care. HB 3428 represents a retreat from that promise to hard working Oregonians and their families who depend on their health care benefits to live secure and productive lives in our state.

For the stated reasons, and the other reasons expressed by others here today, we ask that you **please oppose** HB 3428.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Erna Gelles', written over a light blue horizontal line.

Erna Gelles, Vice President for Political Action
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