



May 15, 2017

Re: Statement for the Record in Support of SB 934

The 100+ pediatrician members of the Children's Health Alliance stand in full support of SB 934, which will help ensure a robust and sustainable primary care infrastructure and workforce in Oregon. Children's Health Alliance pediatricians care for approximately 140,000 children and their families in the Portland metro area and Salem, and are committed to improving the health of all Oregon's children.

Providers and Insurers Agree

The components of SB 934 come directly from consensus-based recommendations made by the SB 231 Primary Care Payment Reform Collaborative, which includes prominent insurers and provider associations. All participants agreed that Oregon needs increased and equitable investment in order to sustain the primary care infrastructure.

SB 934 will help create an equitable playing field in Oregon, empowering primary care clinicians provide the highest quality care to all children & families, regardless of insurance type.

The Evidence is Clear

Comprehensive primary care delivers better care, resulting in substantial cost savings to other parts of the health care system and social services. In fact, a recent study from Portland State University showed that Patient-Centered Primary Care Homes in Oregon saved an estimated \$240 million over just three years. The researchers concluded that **every \$1 increase in primary care expenditures resulted in \$13 savings in other services**. However, there is currently no mechanism to ensure payers are equitably supporting primary care and moving our health care dollars away from paying for "sick care" to a team-based approach to wellness and prevention.

In fact, according to the February 2017 Primary Care Spending in Oregon report to the legislature, **commercial carriers spend 9% and CCOs spend 12.5% on average for primary care** – and that excludes the cost of pharmaceuticals. This means that nearly all medical spending is being directed to "sick care" in hospitals and from specialists.

The data also shows **significant variation** in spending patterns across payers, which means that while some payers are adequately supporting the primary care infrastructure, others are benefitting without contributing their fair share.



Now is the Time

We have a unique opportunity to ensure that Oregon's primary care infrastructure remains sustainable as practices develop new and innovative ways to provide better care for children and families. As independent pediatricians we are investing in new services such as integrated behavioral health, population health management technology, and complex care management for high-need children and families. These innovations require substantial investment, often with little or no return to those shouldering the costs.

The absence of an equitable and sustainable investment from Oregon's many payers poses a threat to Oregon's health system transformation efforts, and ultimately for primary care practices' financial viability. If we want to move away from paying for "sick care," **now is the time to ensure adequate resources are invested in prevention and early intervention, ensuring a future of healthy Oregonians.**

Across the Children's Health Alliance 100+ pediatrician members we strongly advocate for SB 934, which will help Oregon's children access the best possible health care regardless of insurance type.

Sincerely,

Jay Rosenbloom, MD, PhD
Medical Director, Children's Health Alliance
Pediatrician, Pediatric Associates of the Northwest

Deborah Rumsey
Executive Director, Children's Health Alliance