



TUALITY HEALTHCARE

An OHSU Partner

June 8, 2017

www.tuality.org

335 SE 8th Ave.
Hillsboro, OR 97123

Joint Ways and Means Subcommittee on Capitol Construction

Dear Committee Members,

Tuality Healthcare is a significant partner in the health of residents of Western Washington County. We are also a major employer with over 1,200 employees and plays an important role in the economy of our region. Tuality Healthcare opposes SB 1067 for the following reasons:

- The business community, consumer advocates, and health care providers oppose the shift of cost found in SB 1067 and HB 3418.
- HB 3418 and sections 29 – 34 of SB 1067 would set in statute the rates paid to providers by the insurance plans who contract with PEBB and OEBC to provide public employee health benefits.
- HB 3418 and sections 29 – 34 of SB 1067 purports to “contain the costs” of health care for public employees. The impact of this “cost containment” will merely shift \$90+ million onto Oregonians, small businesses, and others buying commercial health insurance through higher premiums.
- Medicare amounts are derived for the purpose of reimbursing medical services for the elderly and disabled based on federal budgetary and regulatory constraints.
- Not only do Medicare rates fluctuate based on variables unrelated to the services provided, such as the federal budget, the rates have not even kept pace with general inflation costs.
- Long term containment of health care expenses is feasible through effective employee incentives, community health investments and ensuring patients get the right level of care in the right setting. Neither HB 3418 nor sections 29 -34 of SB 1067 does anything to actually reduce overall health care costs.
- Sections 27 and 28 in SB 1067 already provide for a cap of 3.4% on PEBB and OEBC spending growth. Sections 29- 34 will not generate any additional savings than those in the previous sections. PEBB and OEBC Boards should utilize the wide range of tools available at their disposal to live within the growth cap instead of this draconian approach.

Sincerely,

A handwritten signature in cursive script, appearing to read "Manny Berman".

Manny Berman
President/Chief Executive Officer

A handwritten signature in cursive script, appearing to read "Timothy L. Fleischmann".

Timothy L. Fleischmann
Chief Financial Officer