

April 3, 2019

Oregon State Legislature
Senate Committee on Health Care
900 Court St. NE
Salem Oregon 97301

Re: *Senate Bill 780 – PEBB/OEBB pilot program*

Chair Monnes Anderson and Members of the Senate Committee on Health Care:

On behalf of Oregon's 62 community hospitals and the patients they serve, the Oregon Association of Hospitals and Health Systems (OAHHS) opposes SB 780 and the -2 amendment which would bring public employee health plans (PEBB, OEBB) and the Oregon Health Plan under one single contract for the southern Oregon region. This significant public contracting change should not be undertaken outside the normal state procurement process for programs and processes of this size and magnitude.

In addition to the significant change in public procurement process, the -2 amendment would require the pilot program include a global budget for hospital services offered to participants who opt-in to the pilot. OAHHS has concerns about how this global budget would be developed considering the varied and specific health needs of each population and the potential unintended consequences for those patients and families. Additionally, what effect does this pilot have on the patients, families and public employees that do not choose to opt-in to the pilot, who will be left in a small population pool that will be managed outside out of the pilot?

We have significant concerns about bringing commercial lines of business under the same contract as Medicaid reimbursement, which could impact reimbursement rates for public employee health services. As described in testimony from the Oregon Education Association, this pilot program would diminish the size and purchasing power of the OEBB purchasing pool, reduce the total compensation of educators by reducing health care benefits and make it more difficult for educators to access health care providers.

OAHHS urges you to oppose SB 780 and the -2 amendment to ensure public employees and Oregon Health Plan members continue to have access to high quality care in their community.

Sincerely,



Sean Kolmer
Senior Vice President of Strategy and Policy
Oregon Association of Hospitals and Health Systems