



April 19, 2021

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

Re: Requesting an amendment to HB 2081

Chair Patterson, Vice-Chair Knopp, and Members of the Committee,

In 2019, the Oregon Legislature passed SB 889 to establish a program to contain health care cost growth. Its goals are to:

- Establish a methodology for measuring health care cost growth
- Identify areas to cut cost in hospitals and clinics
- Identify opportunities to lower costs, while improving efficiency, quality and equity
- Recommend governance structure
- Recommend accountability measures
- Advance value-based payment models

A significant share of the cost-containment burden falls to primary care practitioners. As the second-largest private primary care group in the Mid-Valley, with more than 230,000 primary care visits annually, Salem Clinic understands the program's goals of containing costs without jeopardizing quality or access and addressing health inequities.

The current composition of the Implementation Committee is heavily weighted towards large, vertically integrated health care groups and insurers. The Oregon Health Authority has correctly pointed out that broad partnerships and support are necessary to make this program successful. **Therefore, we request that in Section 3 on page 4, line 29 of the A-Engrossed HB 2081 be amended to read: “Licensed and certified health care professionals and private practice administrators.”** Adding “private practice administrators” will allow representation from groups like Salem Clinic on the Health Care Cost Growth Target Implementation Committee.

The Clinic has a long track-record in cost containment, exemplified by the success of its self-funded plan. Through a review process for high-expense medications, incentives to drive laboratory and imaging to the outpatient setting, co-insurance for ED visits while treating urgent care clinics as network visits, and deductibles included within the plan to ensure appropriate care, this plan has experienced a 9.28% total increase in costs in the last 10 years—far below the stated goals of the Sustainable Health Care Cost Growth Target Program.

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These interventions have resulted in high quality care at stable costs. *The ability to achieve these outcomes is directly related to the ability of the Clinic to be involved with the design of the plan.*

Private Practice administration is in a unique position to understand reimbursement models, revenue requirements, operating costs, provider recruitment, patient access and specialty referrals better than any other agent within the health care system. Such an understanding is integral to the success of the stated cost-containment goals.

Respectfully,

A handwritten signature in black ink, appearing to read 'K. Harder', with a large, stylized initial 'K'.

Kathleen M. Harder, M.D.
Salem Clinic, PC