

Providence Health & Services
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April 1, 2021

The Honorable Rachel Prusak
Chair, House Committee on Health Care
State Capitol
Salem, Oregon 97301

RE: House Bill 2010 – Public option

Dear Representative Prusak and members of the committee:

Providence Health & Services and Providence Health Plan are deeply committed to providing affordable coverage that ensures access to high-quality, comprehensive health care in our communities. As proposed, House Bill 2010 raises serious concerns about the impact it would have on affordability and access across all markets. We recommend that the legislature carefully evaluate how changes to these plans will impact consumers in the long run.

Significant changes to the bill would be necessary to limit unintended consequences on the current health insurance market and align with Oregon's desire to reduce the overall cost of care. Providence would recommend that the Committee consider the following before moving this, or similar bills, forward.

Reduce state and consumers costs

Oregon has many opportunities at our disposal to directly reduce the cost of health care for consumers, a public option is not necessary. House Bill 2010 would establish health insurance plans beyond the scope of the ACA essential health benefits and eliminate access to federal subsidies. These costs would become the burden of Oregon consumers.

Encourage provider participation

Funding for a public option can't be solely on the backs of providers. Oregon needs to identify a reimbursement rate that will avoid provider hesitancy and ensure network adequacy. This is important for the financial viability of health care providers as well as consumer access. A reimbursement rate tied to 100% of Medicare would discourage provider participation, and limits opportunity for value-based payment arrangements.

Encourage payer participation

The proposed scope of payer participation is significant and should be closely evaluated before assuming more participation equates to quality participation. Forcing certain entities to take on the risk to participate in a public option will create instability in other areas of the health insurance market.

Allow for adequate time for implementation

Policies that require mandatory carrier participation will flood the market with new entrants and create significant administrative barriers for payers and providers. This, in addition to forming provider networks that meet adequacy standards, will take considerable time.

As an organization driven by our Mission to serve the poor and vulnerable, Providence fundamentally believes that access to health care is a basic right. We are committed to being a collaborative partner, and working to identify revenue opportunities that increase access, affordability and the quality of health care in Oregon. Thank you for the opportunity to provide comment.

Sincerely,



Lisa Vance
Chief Executive
Providence Health & Services



Michael White
Interim Chief Executive Officer
Providence Health Plan