



February 4, 2022,

Chair Prusak, Vice Chairs Salinas and Hayden, members of the committee,

Thank you for affording the opportunity to voice our concern with HB 4006. We respectfully feel that bills like HB 4006 take us in the opposite direction of the goal to have a more affordable healthcare system that focuses on value instead of fee for service.

Our largest concern about any proposal like HB 4006 is that we believe it conflicts with the underlying goals of Oregon's cost containment program. As I have stated in previous legislative sessions, we estimate the cost of this mandated payment increase to be right around \$1PMPM. I can imagine that for some who hear that estimate they would consider it a relatively small and inconsequential impact.

We just completed our first round of data submittal with OHA for the cost containment program. After our final meeting with the OHA team discussing the data, we jointly concluded that that our total costs between 2018 and 2019 were right on the line of the state's cost growth benchmark.

So, an increase of costs of just \$1PMPM in 2019 would have put us over the benchmark and we would have been flagged as not in compliance of the program's goal.

That is how narrow the margin for error is to contain costs. If we are going to be successful in containing costs in Oregon's healthcare system, we're all going to have to make difficult decisions and remain committed to staying within the cost growth goals.

In the past I've also quoted third party economists who have labeled Oregon's healthcare economy as one with low utilization and high fee for service prices. We are concerned with any piece of legislation that endorses the high fee for service price structure that we're all trying to move away from.

Here's the good news – at Regence we are continuing to move towards more Value Based Arrangements with our provider partners year over year, but there is much more work to be done. It's a heavy lift and will require a concerted effort from the insurers, providers, our regulators, and the legislature to get where we need to be.

We ask that you be mindful of these common goals as you consider HB 4006. From our point of view, we feel the bill is an endorsement of the high-priced fee for service practice in the health care system and will make it more challenging to meet the cost containment and value based contracting goals we all are trying to hit.

Sincerely,

Vince Porter

Director of Oregon Government Affairs

Cambia Health Solutions and Regence Health Plans of Oregon