



To: Chair Prusak and Members of the House Committee on Health Care

From: R. Logan Jones, MD, Joel Burnett, MD, and Jenny Silberger, MD on Behalf of the Oregon Chapter of American College of Physicians

Date: February 9, 2022

Re: In Support of HB4035

On behalf of the Oregon Chapter of American College of Physicians, which in Oregon represents more than 1,700 medical students, residents/fellow-in-trainings, and practicing internists – specialist physicians who apply expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness, we thank you for the work you do to protect and improve the health of Oregonians.

Given that there were 248,000 Oregonians without health care coverage as of 2019, protecting and improving the health of Oregonians is as important as ever.ⁱ Moreover, as a result of the COVID-19 pandemic and rising unemployment, many more Oregonians have lost their income and employer-sponsored health insurance in recent years. As of January 10th, 2022, there has been a 26.82% increase in Oregon Health Plan coverage since the State of Emergency in March of 2020.ⁱⁱ And despite this incredible demand for federally-funded health insurance, many Oregonians continue to remain uninsured. In this crisis, we have an opportunity to reset how Oregon approaches providing fundamental access to health care. We believe that HB4035, which calls for the OHA to study and make recommendations for options to improve access to or lower cost of health care in Oregon, is an important step toward improving access to care and **we urge you to support passage of HB4035.**

Oregon has historically been a leader in health system innovation. For example, after the state's 2008 Medicaid expansion, studies have shown that gaining health insurance increased access, utilization, and self-reported health.ⁱⁱⁱ We can once again lead the nation by transitioning Oregon to an evidence-based, universal health care program that promotes health equity and lowers the costs of our healthcare system.

In 2020, our parent organization, The American College of Physicians, released a position paper, entitled "[Envisioning a Better U.S. Health Care System for All](#),"^{iv} that supports state and federal initiatives to pursue universal healthcare coverage. Key tenants of vision for a better health care system include the following principles:

- The United States should transition to a healthcare system that achieves universal coverage with essential benefits and lower administrative costs
- That coverage should not be dependent on a person's place of residence, employment, health status, or income
- That two options could achieve these objectives: a single-payer financing approach, or a public financed coverage option to be offered along with regulated private insurance.

In view of these tenets, Oregon ACP affirms its support for the goal of HB4035 – improving access to or lowering the cost of health care in Oregon.

In addition to expressing our support for HB4035, we wish to provide feedback on details of the OHA-commissioned report that outlines potential avenues to move forward with a public option.^v The report includes proposals for implementing legislatively-required premium reduction targets followed by a cost growth cap and identifies reducing provider reimbursement rates as the primary strategy for meeting premium reduction targets. We recognize that reducing provider reimbursement rates is an important avenue for containing health care costs and support reasonable proposals to reduce rates. However, Oregon ACP believes that providing rich benefits while containing costs can only be achieved by addressing all of the factors that drive premium rates, including administrative overhead, prescription drug costs, and the costs of hospital care. Attempting to meet premium reduction targets through reasonable provider reimbursement rate reductions alone is unlikely to achieve the proposed capped growth targets. Were Oregon to pursue extreme provider reimbursement rate reductions to meet premium reduction targets, it would likely result in serious access issues in our state as physicians may choose to decline to participate in the plan, retire early, or move to states that offer more competitive reimbursement rates. We encourage policymakers and other stakeholders to adopt a cost-containment model that acknowledges the multi-factorial nature of health care premium rate setting and addresses premium rate reduction with a multi-faceted approach. A recent Commonwealth Fund report, “[Reducing Health Care Spending: What Tools Can States Leverage?](#),” highlights several additional cost-containment strategies.^{vi}

Oregon ACP is committed to partnering with legislators and other stakeholders to increase access and rein in healthcare spending in our state. We support HB4035 as an important step in reaching these goals. Please do not hesitate to contact us if we can be of service in pursuit of our shared goal of protecting and promoting the health of Oregonians.

Sincerely,

R. Logan Jones, MD, Co-Chair, Policy Research and Education Sub-Committee of the Oregon Chapter of American College of Physicians

Joel Burnett, MD, Chair, Health & Public Policy Committee of the Oregon Chapter of American College of Physicians

Jenny Silberger, MD, FACP, Governor of the Oregon Chapter of American College of Physicians

ⁱ Oregon Health Authority. (2022, January 10). *OHP data and reports*. Oregon Health Plan. Retrieved January 12, 2022, from <https://www.oregon.gov/oha/hsd/ohp/pages/reports.aspx>

ⁱⁱ Oregon Health Authority. (2022, January 10). *OHP data and reports*. Oregon Health Plan. Retrieved January 12, 2022, from <https://www.oregon.gov/oha/hsd/ohp/pages/reports.aspx>

ⁱⁱⁱ Baicker K, Taubman SL, Allen HL, Bernstein M, Gruber JH, Newhouse JP, Schneider EC, Wright BJ, Zaslavsky AM, Finkelstein AN; Oregon Health Study Group. The Oregon experiment--effects of Medicaid on clinical outcomes. *N Engl J Med*. 2013 May 2;368(18):1713-22. doi: 10.1056/NEJMs1212321. PMID: 23635051; PMCID: PMC3701298.

^{iv} Crowley, R., Daniel, H., Cooney, T. G., Engel, L. S., & Health and Public Policy Committee of the American College of Physicians (2020). *Envisioning a Better U.S. Health Care System for All: Coverage and Cost of Care*. *Annals of internal medicine*, 172(2 Suppl), S7–S32. <https://doi.org/10.7326/M19-2415>

^v Ario, J., Karl, A., & Zhan, A. (2021). (rep.). *Oregon Health Authority Public Option Implementation Report*. Manatt Health Strategies.

^{vi} Chernew, M., Cutler D., & Shah S. (2021) *Reducing Health Care Spending: What Tools Can States Leverage?* Commonwealth Fund Reports. <https://www.commonwealthfund.org/publications/fund-reports/2021/aug/reducing-health-care-spending-what-tools-can-states-leverage>