



November 6, 2023

TO: Members of the House Interim Committee on Behavioral Health and Health Care

FR: Katie Koenig, Oregon Business & Industry

RE: Health Care Cost Growth Target

Chair Nosse, Vice Chairs Goodwin and Nelson, and Members of the Committee,

For the record my name is Katie Koenig, Public Affairs Manager for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians.

Thank you for the opportunity to offer comments today. I serve as an employer representative on the Health Care Cost Growth Target Advisory Committee and want to take a moment to thank OHA staff, particularly Sarah Bartlemann who you just heard from, for their diligent work and their efforts to ensure that the myriad of stakeholder voices are heard.

Health care costs for Oregon employers and employees are rising significantly. Employers must either absorb these increased costs or pass them on to their employees. We hear regularly from employers about the need for cost containment, and we support the intent of the program to help limit health care cost increases for Oregonians. However, as we all know, the health care ecosystem is delicate and complicated. There are a number of contributing factors to rising health care costs including inflation, recently enacted public policy decisions, an aging population, and many others. We want to make sure that the cost growth program does not inadvertently exacerbate these cost pressures as it develops its penalty structure.

OBI would like to ensure that the penalty structure established for the Cost Growth Target is reasonable and as with any effective penalty structure, the penalties need to be clear and proportionate, and the application needs to be transparent. The balance of the system is always vulnerable to changes beyond the control of all participants in our health care system. We urge careful consideration of penalties and other costs that could cause greater disruption.

Contact: Katie Koenig, OBI, katiekoenig@oregonbusinessindustry.com