

March 6, 2023

The Honorable Robert Nosse and Committee Members
House Committee on Behavioral Health and Health Care
State Capitol
Salem, Oregon 97301

RE: House Bill 3157 – Establishes Health Insurance Mandate Review Committee

On behalf of Providence Health Plan, I want to thank you for the opportunity to share the plan's support for House Bill 3157. This bill will aid Providence Health Plan's mission to ensure access to high-quality and affordable health care for Oregonians.

Annually, the Oregon legislature passes a variety of well-intentioned bills that mandate health plans to cover specific benefits or require certain payments to providers. Health care spending rises as a result, as do premium rates that are based on that spending. Health plans must also balance the financial effects of these mandates with various federal and state cost-containment policies, such as medical loss ratio and cost growth benchmark requirements. The goals of the legislature in passing mandates and requiring restrained health care spending are in tension, with health plans stuck in the middle.

Benefit mandates can either be helpful in ensuring coverage of cost-effective, high-value care, or require coverage of ineffective, low-value services that do not benefit patients individually or Oregonians generally. When considered individually, the collective cost growth to which these mandates contribute may go unnoticed. Furthermore, mandate cost estimates typically account for insurance markets in urban areas but ignore financial impacts on rural communities. There are currently 50 individual mandates in the Oregon insurance code – the legislature is considering more than 10 this year alone.

House Bill 3157 would help increase the likelihood that the mandates that pass each year are in the public interest. By ensuring an evaluation of the medical efficacy and economic impact of proposed legislation in advance of session, legislators would be able to make informed choices about which mandates bring value to Oregonians. It would also ensure that current Oregon law is followed, as proposed legislation that mandates health coverage must come with a report that reviews its potential benefits and ramifications.¹ As the committee may know, this does not happen today.

Providence Health Plan supports HB 3157 because it will provide transparency to the legislature on mandate bills and emphasize analysis over lobbying. Building onto existing law by establishing a

¹ ORS 171.875 & ORS 171.880

mandate review advisory committee to analyze relevant proposed legislation is a crucial step towards equitable access to health care for Oregonians. Furthermore, expanding the analysis parameters to ensure the social, financial, and scientific efficacy of insurance mandates is a valuable commitment to creating well-informed, responsible health policy on behalf of all Oregonians.

Providence is committed to continuing to work with the legislature and stakeholders to ensure that all Oregonians have access to high-quality and affordable health care. Thank you for your support of House Bill 3157 in the Committee on Behavioral Health and Health Care. We urge your continued support throughout the process.

Sincerely,



Aaron Bals
Chief Compliance and Risk Officer
Providence Health Plan