



March 8, 2023

TO: Senate Health Care Committee
FR: Maribeth Guarino, Health Care Advocate, Oregon State Public Interest Research Group (OSPIRG)
RE: In Support of SB 972 and a State-based Marketplace for Oregon

OSPIRG is a statewide public interest organization representing thousands of Oregonians, and we support SB 972 and a state-based marketplace (SBM) for Oregon.

Oregon is currently one of only three states to have a hybrid marketplace model, using the federal platform healthcare.gov while performing some marketplace functions ourselves. This is extremely limiting, as healthcare.gov is a one-size-fits-all technology platform for health insurance eligibility and enrollment with little to no flexibility for the state or its consumers. Because everything on healthcare.gov goes through the federal government, Oregon is dependent on the federal government to address data needs; to maintain the platform; to tailor enrollment and other consumer assistance to Oregonians; and to determine deadlines, enrollment periods, and other functions of the marketplace.

A state-based marketplace offers several benefits over our current marketplace, including saving money in user fees and giving the state more flexibility in pursuing other cost-containment strategies such as automatic enrollment. These savings can be repurposed to reduce people's health care costs in a way the federally facilitated marketplace doesn't allow, such as reinvesting savings into bolstering existing programs. Similarly, an SBM would allow for more direct and effective communication between the marketplace and OHA, creating an easier path to transition folks who churn between Medicaid and marketplace coverage due to eligibility changes. There would be one place to go to determine which insurance plans and assistance programs (including subsidies) you are eligible for, including Medicaid and the up-and-coming Basic Health Plan. This flexibility is not available with healthcare.gov.

Additionally, an SBM would enable the marketplace to offer small group plans to Oregon small businesses, something other states offer but is not possible with the current federal enrollment platform. Oregon will also have more agency in operating the marketplace and responding to state-specific needs, including addressing health disparities, enrollment, outreach, data collection, and quality metrics, all of which will provide a better service to Oregon consumers and help improve coverage in our state. As a one-stop-shop with less constraint from federal rules, the marketplace would serve consumers in Oregon better.

In the last three years, six states have transitioned to state-based marketplaces, marking 18 SBMs in the United States. States that have transitioned to SBMs in recent years have seen success in facilitating a smooth transition due to the wide array of software options available from vendors that have been developed over the past decade. These "off-the-shelf" SBMs are available for states to tailor to their needs rather than build from scratch. With Oregon's goals for health care transformation, we cannot afford to fall behind when it comes to innovation and providing the best care and coverage for Oregonians. The transition to an SBM is a step that the Health Insurance Marketplace Advisory Committee has recommended since 2019. With guidance from other states that have made this

transition, as well as coordination between the legislature and state agencies, Oregon can also make the move to our own technology platform smoothly. It is time we took this step forward and capitalized on an opportunity to enhance our health care system by lowering costs and tailoring coverage to Oregon-specific needs. I ask you to vote yes on SB 972 to move forward with a state-based marketplace for Oregon.