

February 19, 2025

To: Joint Committee on Ways and Means Subcommittee on Human Services

Fr: Matt Swanson, SEIU Oregon State Council

Re: Testimony in Support of PEBB & OEBC Budget, HB 5025



The Public Employees Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBC) are responsible for contracting, designing, and administering a comprehensive range of benefits, including:

- Medical, dental, and vision coverage
- Life, accident, and disability insurance
- Long-term care coverage
- Flexible spending accounts (FSAs)
- Wellness programs
- Employee assistance programs (EAPs)

These Boards operate with labor and management representation, ensuring that plan decisions reflect the needs of public employees while prioritizing:

- Improving health outcomes
- Enhancing member experiences
- Ensuring quality care
- Centering health equity
- Controlling costs for employees and the system

We support the budget as presented to the committee to ensure the continued effective administration of benefits for public employees across Oregon. Additionally, we urge the legislature to recognize the cost containment policies already in place and how they impact PEBB and OEBC priorities, including:

- The statutory 3.4% cap on cost growth
- Reference pricing policies (200% of Medicare rates for in-network providers and 185% for out-of-network providers)

As the legislature considers new policies that require PEBB or OEBC to take action, it is critical to evaluate how these align with current cost-containment strategies. The policies in place have saved PEBB members and the state millions of dollars over their lifetime. We are proud of that and want to call attention to some key challenges that confront PEBB and other health plans in the market.

One key issue being discussed among public sector employers nationwide is access to GLP-1 medications for conditions beyond Type 2 diabetes, such as weight loss, heart conditions, and sleep apnea. The medical community and the FDA continue to emphasize the efficacy of these treatments, yet PEBB and OEBC currently lack the flexibility to expand coverage in an environment where these high-cost treatments do not have other cost controls. The result is that PEBB and OEBC plans would have to cut

benefits or greatly increase costs to members to expand coverage to these effective treatments which continued research is showing are improving quality of life.

We urge policymakers to consider this balance carefully to sustain affordable, high-quality healthcare for public employees and their families. We are proud of the shared work between employers and workers to maintain quality, affordable benefits and urge your passage of the PEBB budget.

Thank you.

Matt Swanson
Political Strategist, SEIU Oregon State Council