



Service Employees International Union – Oregon State Council
6401 SE Foster ▪ Portland, OR 97206

March 18, 2021

Dear Chair Riley and Members of the Committee,

For the record, my name is Melissa Unger, and I am Executive Director of SEIU Local 503. SEIU is opposed to SB 845.

SEIU is a diverse union representing people in many different types of employment. More than 28,000 of these workers are public workers across state agencies and all seven public universities who are covered by PEBB. Our Union has held two seats on the eight member PEBB board since its inception.

SEIU has advocated for affordable, equitable and quality healthcare throughout our time on the board, just as we have done in the Legislature. Our testimony about this bill is grounded in the fact that for over a decade PEBB has done a commendable job staying within the 3.4% cost growth cap first suggested then later set by the Legislature. In comparison, commercial insurance premiums were increasing nearly twice that rate prior to the COVID pandemic. A 2020 Secretary of State audit of PEBB specifically noted that the PEBB board puts forth considerable effort to provide quality benefits that are affordable to employers and members.

PEBB can and does bring in experts in health benefit plans and health policy, and the Board works closely with them in their review, analysis, and planning. We have several board members who have deep expertise in health policy, including the Oregon Health Authority's Director of Health Policy and Analytics, the Chief Medical Officer for the State, and a Health Promotion Strategist. As a large union running multiple health plans across the nation, we have been able to draw on our extensive health plan benefit knowledge and bring that experience to the conversations and decisions about administrative fees, centers of excellence, facility fees, emergency room upcoding, and more. We also have the collective support of the PEBB/OEBB staff that has decades of health administration experience between them.

Questions have come up about whether SB 845 would lead to a PEBB board that is similar in structure to the OEBB board. OEBB and PEBB are different programs and boards, and it is difficult to compare the two. However, we know that the OEBB board

has health policy experts on their board, and in contrast to PEBB, OEBC has not stayed within the cost growth cap of 3.4% in four out of the last ten years, in contrast to PEBB.

PEBB does, of course, face some challenges such as a difficult RFP process and health systems that have monopolistic tendencies. Adding an additional board member will do nothing to address or even mitigate those challenges.

From our perspective, we don't understand how the board would benefit from this additional seat. Both labor and management have worked collaboratively for years in efforts to maintain quality benefits and rein in costs. We believe the current board structure supports our continued success and oppose this legislation.