



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

Chair Prusak, members of the committee, my name is Shaun Parkman. I am the vice-Chair of the Public Employees Benefit Board and I am speaking today on behalf of SEIU 503 in favor of HB 2362.

For almost 6 years I have served on the PEBB board and I am proud of the board's ability to meet the Legislature's goal of a 3.4% growth rate cap in most years without having to cut worker benefits through a series of partnerships, innovations, and tough negotiations.

However, despite PEBB's size, we are confronted with an increasingly stark reality that our negotiating power is not sufficient to counter the industry power in Oregon, especially when one system may be the only game in town. More times than not, our carriers are given ultimatums from consolidated hospital and provider networks.

As an insurer responsible for covering the lives of hard working employees and their families in every single county, PEBB is experiencing the side effects of industry consolidation across Oregon.

I fear that we are on a price-collision course between the 3.4% growth cap, and an increasingly consolidated industry. And we have too few tools to counter an emboldened industry.

I have observed that this industry consolidation so far has not meant better care, nor has it meant improved coordination of care, nor has it meant more efficient electronic medical records. It has only meant higher prices and higher profits on the backs of our members.

I fear that this industry consolidation that I have witnessed over the past half decade will only accelerate due to covid 19.

HB 2362 is the kind of bold action needed in Oregon to level the playing field for the average Oregonian. This legislation is needed along with other efforts to control healthcare costs. I urge passage of this bill to give PEBB and other employers the fighting chance to maintain health benefits at sustainable prices in the future.

Thank you.