



February 9, 2021

TO: House Health Care Committee  
FR: Maribeth Guarino, Health Care Advocate, Oregon State Public Interest Research Group (OSPIRG)  
RE: In Support of HB 2362 on Health Care Mergers

OSPIRG is a citizen-based, public interest organization representing thousands of Oregonians across the state. We're also here on behalf of the Stop the Debt Trap Alliance, a coalition of organizations representing a wide variety of constituents across the state focused on standing up for Oregonians challenged by economic injustices - particularly communities of color and those with the lowest incomes.

We support HB 2362 and its efforts to increase transparency and conscientious decision-making when it comes to the effects of consolidation in the health care industry.

We need this transparency in the health care system for the same reason that we have antitrust laws: concentrated markets mean less choice and higher prices for consumers. The health care system is no exception. When large health systems absorb local providers, hospital systems merge, or other consolidation efforts succeed, the cost to consumers rises as insurers renegotiate contracts and pass those increased rates on to Oregonians in the form of higher premiums or less coverage.

With an increased market share, hospitals can force insurers to negotiate higher rates because they are one of the only health care providers available for the Oregonians using that insurance. We have already seen price increases correlated to consolidation in the health care industry. In the Portland metro area, the share of physicians affiliated with health systems increased by 82% from 2016 to 2018. In that same time, the average silver premium for a 40-year-old in Portland rose from \$300 per month to over \$400.

The pandemic and the difficulties it has caused small clinics, independent practices, and community-based providers mean that they are vulnerable to mergers and further consolidation. Once a merger or acquisition is finalized, it is nearly impossible to undo or reverse the associated price increases, so we need to act now to ensure that due consideration is given to the Oregonians that will be affected by those changes.

We urge your support for this bill to put Oregonians and their health care needs in the center of consolidation transactions in Oregon. The least we can do is promote transparency in health care consolidation that considers the financial and practical effects of the decision, including the impact on local communities, access to services, and patient costs. Health care already costs too much. With HB 2362, we can ensure that these transactions don't threaten low-cost, high quality care in Oregon.

Thank you for your consideration.