

Submitter: Jim Houser
On Behalf Of: Main Street Alliance of Oregon
Committee: House Committee On Health Care
Measure: HB4035

Chair Prusak, Members of the Committee

My name is Jim Houser of SE Portland. I am Co-Founder of Hawthorne Auto Clinic (ret), Co-Chair of the Main Street Alliance of Oregon, and from 2010 to 2022, offering a small business perspective, a member of the changing Oregon health insurance exchanges' advisory committees. I first was asked to serve on the advisory for the creation of the Oregon Health Insurance Exchange (ORHIX) that became Cover Oregon, and then for the Oregon Health Insurance Marketplace (OHIM) under both the Division of Consumer and Business Services and most recently under the Oregon Health Authority.

I am here to speak in favor of HB 4035

When Liz Dally, my wife, and I founded our auto repair business in 1983 we made the commitment to provide health insurance coverage for our employees and their dependents. It seemed like the right thing to do, and it made good business sense. Auto repair is a highly skilled field where offering good benefits to keep experienced staff is critically important. And our employee benefits strategy worked. Until a spate of retirements in the last few years, our employee tenure stood at just about 18 years. But as you no doubt know premium increases over the years have been relentless. We experienced increases of over 120% between 2000 and 2010, leveling off in the first years of the ACA (and with increased benefits in the available plans), but then dramatic increases again in recent years as the anticipated additional healthcare reforms were stymied.

Oregon's Health Insurance Marketplace (the Marketplace) has made tremendous strides in increasing health insurance access, with over 95% of Oregonians currently covered (though the number of small businesses offering health insurance coverage to their employees has actually declined over the last several years). The weakness in Oregon, and nationally, has been the ability to control rising health insurance premiums, at all levels. Small businesses are paying up to 18% more than large businesses for the same coverage. Many people now view health insurance as just bankruptcy insurance due to the cost of deductibles, copays, out-of-network "surprises", and pharmaceuticals. The principal challenge for the Marketplace's ability to develop strategies to increase access and control premium costs is that, at its formation, the Marketplace opted to have enrollment managed by the federal government's healthcare-dot-gov. That federal platform not only is expensive, it dramatically limits access to critical enrollment data and also precludes offering small business coverage because federal small group standards are not compatible with Oregon's small group premium protections.

One absolutely essential reform, which is highlighted in HB 4035, and was unanimously recommended by the Marketplace Advisory Committee (MAC) to DCBS

on September 23, 2019, is to transition our current Marketplace to a fully State Based Marketplace (SBM) enabling Oregon to be in control of its own health insurance marketplace. I have attached a copy of the Marketplace's 2019 SBM request to DCBS, emphasizing the limitations of the current federal platform and the advantages of becoming a fully SBM. Some 6 other states have recently either become or transitioned to full SBM adding to the 18 states that have been successful SBM's all along. (A recent bonus we learned about is that currently vendors are offering their SBM technology while not requiring any money down, no payment due until the platform is up and running to the state's satisfaction.) I have also attached a copy of a money and time saving small business (fewer than 50 employees) program offered to small businesses by California's SBM, Covered California, which could be a model for a program offered by our Oregon SBM. (Oregon is a small business state. 96% of Oregon's businesses have fewer than 50 employees, equaling almost 107,000 businesses.)

My request is that this Committee vote to approve HB 4035. Thank you.