

Submitter: Jim Houser

On Behalf Of:

Committee: House Committee On Health Care

Measure: HB4035

Chair Prusak, Members of the Committee February 11,2022

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, I have been 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 (DCBS) and most recently under the Oregon Health Authority.

I am here to speak in favor of HB 4035 because whether the state based marketplace (SBM) concept remains in the bill or not, an Oregon SBM is critically import to the possibility of any Health Care Marketplace plan innovations. The creation of a bridge/public option plan will require the Marketplace to transition off the federal healthcare-dot-gov and onto its own SBM.

In September of 2019 the Marketplace Advisory Committee unanimously recommended to DCBS that our current Marketplace be transitioned to a SBM enabling Oregon to be in fully in control of our own marketplace program.

I have attached a copy of the Marketplace's 2019 SBM request 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.

If Oregon is to retain our high rate of Oregonians with health insurance coverage we will continue to rely in part on employer provided coverage. But as Jeremy Vandehy pointed out, employer provided coverage in Oregon has been declining. Small businesses already pay up to 18% more than large businesses for the same coverage, and premiums have been increasing far more quickly than small business revenue and profitability. Just the management time required annually to review new plan offerings and changes, employee health status, network enrollment and pharmaceutical needs, and then make employee plan choices can be daunting.

Director Vandhey also emphasized some of the serious problems the Marketplace faces with its dependence on HC-dot-gov. One of federal platform roadblocks to innovation is that HC,gov precludes our Marketplace from offering plans for small businesses because federal small group standards are not compatible with Oregon's small group premium protections. Oregon is a small business state. 96% of Oregon businesses have 50 or fewer employees (equaling almost 107,000 businesses.)

With the Marketplace becoming a fully SBM, Oregon could offer small group plans, like California's Cover California (see my attached document) that could provide increased health plan choices with lessened employer workload and lower costs,

since employees have the opportunity to choose the plan/provider that works best for them and their families with group plan savings, hopefully eliminating the “family glitch” problem that has plagued the ACA since its inception.

Please consider passing HB 4035 to provide the impetus for the necessary Oregon SBM.

Thank you and I would be happy to answer any questions.