



Oregon Senate Committee on Health

Testimony In Support of SB 972

Jim Houser, Board Member

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My name is Jim Houser of SE Portland. I am Co-Founder of Hawthorne Auto Clinic (ret) and a member of the Board of Directors of the Main Street Alliance, a small business leadership development and advocacy organization (with over 2500 Oregon small businesses in our network). From 2010 to 2022, I have offered a small business perspective on healthcare as a member of Oregon health insurance exchange advisory committees. I first was asked to serve on the advisory for the creation of the Oregon Health Insurance Exchange (ORHIX) which became Cover Oregon, and then for the Oregon Health Insurance Marketplace under both the Division of Consumer and Business Services (DCBS) and more recently under the Oregon Health Authority (OHA). I currently serve on OHA's Cost Growth Target Advisory Committee.

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. Our employee tenure stands at just about 20 years. But as you no doubt know healthcare 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, with increased benefits in the available plans, and then dramatic increases again in recent years as the anticipated additional healthcare reforms were stymied.

Oregon has made tremendous strides in increasing healthcare access, with about 95% of Oregonians currently covered, though the number of small businesses offering health insurance coverage to their employees has actually declined over the last five years. The weakness in Oregon, and nationally, has been the ability to control rising healthcare costs, at all levels. Many people now view health insurance as just bankruptcy insurance due to the cost of deductibles, copays, out-of-network "surprises", and pharmaceuticals. The challenge for Oregon is the ability to develop strategies to increase access and

control premium costs. Cover Oregon, the health insurance marketplace created in Oregon by the opportunities provided by the Affordable Care Act, made possible the ability to improve access and control healthcare costs, including for small businesses. Cover Oregon's replacement, the Oregon Health Insurance Marketplace (OHIM) at its formation opted to have insurance carrier enrollment managed by the federal government's healthcare-dot-gov. That federal platform not only is very expensive for the state of Oregon, it dramatically limits access to critical enrollment data and also precludes the Marketplace offering small business/small group coverage because federal small group standards are not compatible with Oregon's small group premium protections.

One absolutely essential healthcare access and cost reform, which is the focus of SB 972, and was unanimously recommended by the Marketplace Advisory Committee (MAC) to DCBS in September 23, 2019, is to transition our current Marketplace from the federal platform to a fully State Based Marketplace (SBM). Not only would Oregon save significant costs to the state, the establishment of an SBM would also enable Oregon to be fully in control of its own health insurance marketplace. The MAC report emphasized 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 the vendors offering the SBM technology currently do not require any money down, no payment due until the platform is up and running to the state's satisfaction.)

The advantage for Oregon small businesses with a transition to an SBM is that we will finally become able to access the many features and benefits of the ACA reforms, like so many other states are currently able to have. One example, that had been approved by the Cover Oregon Board, and for which there were 11 Oregon small group plans offered, was a feature called Employee Choice. Instead of the employer having to spend time polling employee healthcare needs and researching medical provider networks, the employee chooses the carrier/providers best suited for their family. The employer simply provides their agreed to portion of the plan costs. Any additional payment necessary is provided by the employee. This Employee Choice feature is currently available through SBM Covered California, for example, and is very popular.

My request is that this Committee vote to approve SB 972 so Oregon can take the next step to making health care more accessible and more affordable for all Oregonians, especially small business and their employees.

Thank you.