

Regence Testimony in Opposition to Senate Bill 174

Chairman Bowman and Members of the Committee,

Thank you for the opportunity to testify today in opposition to Senate Bill 174. My name is Mary Anne Cooper, and I am the Director of Government Affairs at Regence BlueCross BlueShield of Oregon. As the state's largest health insurer, Regence is committed to addressing both persistent and emerging health needs for the nearly 1 million Oregonians we serve. In keeping with our values as a tax-paying nonprofit, 90% of every premium dollar pays for our members' medical claims and expenses. We are here today because we are deeply concerned about the negative impacts this legislation would have on Oregon families and businesses.

Why our current system works better for consumers

Most Oregonians don't realize that health insurance is one of the most heavily regulated industries in our state. When you buy a health insurance policy, the Department of Consumer and Business Services (DCBS) has already reviewed and approved the policy language, the rates, and the benefits. This oversight exists to protect consumers.

If you ever have a problem with your insurance company, DCBS provides a free service that helps resolve these issues quickly. Their consumer advocates work directly with insurance companies to fix problems, and they get results:

- Most problems are solved within 30 days
- In 2024 alone, they've recovered nearly \$1.29 million for consumers
- They've helped 129 Oregonians with health insurance complaints this year
- All this assistance comes at no cost to consumers

What SB 174 would change

Senate Bill 174 would allow class-action lawsuits against insurance companies for practices that are currently handled by state regulators. While this might sound like it gives consumers more power, it actually creates a more expensive, slower system that would ultimately hurt all Oregonians.

Here's why:

1. **Higher costs for everyone:** If insurance companies face more lawsuits, they have to raise premiums to cover these new legal expenses. This means everyone pays more for health insurance, even if you never file a claim.
2. **Slower resolution:** Lawsuits often take years to resolve. The current system through DCBS typically resolves problems within a month.
3. **Less money to consumers:** In consumer cases, attorneys typically take a significant portion of any settlement. With DCBS, 100% of recovered money goes directly to the impacted consumers.
4. **Confusion about coverage:** Given that most commercial health insurance plans are not regulated by the state, consumers are likely to be promised remedies by attorneys that may not exist for their policy.

The bill lacks evidence of need

Supporters of this bill haven't shown any evidence that class actions would actually help consumers more than our current system. What we do know is that it would make health insurance more expensive for Oregon families and businesses.

This bill also presents significant process concerns. There is considerable confusion about whether certain insurance types are in or outside its scope, and those concerns were not addressed in the Senate. With less than a week left of session, it's not appropriate to move such a sweeping and significant policy forward, especially when the parties do not agree on its impact.

Conclusion

Our current consumer protection system for insurance works well. It provides quick, free help to Oregonians when they need it. SB 174 would replace this efficient system with expensive, time-consuming litigation that would raise costs for everyone.

I respectfully urge you to oppose Senate Bill 174 and maintain our effective consumer protection process.

Thank you for your consideration.

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