

TO: Members of the Senate Committee on Health Care
FROM: Hasina Wittenberg, Special Districts Association of Oregon
DATE: February 11, 2026
RE: **Testimony in Support of Senate Bill 1529-1**

Special Districts Association of Oregon (SDAO) and its affiliated employee benefits program, Special Districts Insurance Services (SDIS), strongly supports SB 1529-1.

BACKGROUND

About the Special Districts Association of Oregon

The Special Districts Association of Oregon is a statewide association representing nearly 1,000 Oregon's special districts, including fire districts, water and sewer districts, parks and recreation districts, ports, irrigation districts, library districts, and other local government entities. Collectively, Oregon's special districts provide essential public services in every corner of the state, often serving rural and underserved communities where access to services is already fragile.

Special districts are mission-driven public employers with limited revenue authority. They exist to deliver core public services, not to generate profit, and they depend on stable, predictable operating costs to meet their statutory obligations to the public.

About Special Districts Insurance Services (SDIS)

Special Districts Insurance Services is a nonprofit, member-governed, self-insured employee benefits program created specifically to meet the needs of Oregon's special districts. SDIS pools risk among public employers and reinvests savings back into the program to control costs, maintain comprehensive coverage, and ensure long-term sustainability.

As a public sector, non-ERISA health plan, SDIS contracts with health insurance companies. These companies then negotiate with health care providers, including hospitals, clinics, and specialists, to secure services for SDIS members and their families at an agreed-upon rate. This arrangement ensures access to necessary care for those who keep Oregon's essential services running.

WHY SB 1529-1 IS IMPORTANT TO SPECIAL DISTRICTS

Protecting Access to Health Care Facilities

Special districts operate ambulances, fire engines, water systems, and emergency response services that depend on a healthy, reliable workforce. When insurer-provider contract disputes lead to network terminations, employees may suddenly lose access to local hospitals and providers; sometimes the only providers available in rural areas.

SB 1529-1 helps prevent these disruptions by requiring good-faith negotiation, mediation, and binding arbitration when there is a substantial risk of a coverage gap. This ensures continuity of

care for public employees and their families and protects the communities that rely on special district services.

Supporting Cost Control and Predictability

In recent years, health care costs have been rising dramatically, placing significant financial pressure on special districts across Oregon. As these expenses escalate, funds that would otherwise be dedicated to providing essential community services are increasingly diverted to cover higher health insurance premiums and medical costs. This shift threatens the ability of special districts to fulfill their core missions, particularly in communities where resources are already limited.

The situation is further complicated when health care providers refuse to negotiate rates, while health insurance companies are unwilling to accept the proposed increases. Special districts are then faced with a difficult choice: either absorb the much higher costs, which can strain already tight budgets, or require their employees and their families to switch health care providers, potentially disrupting continuity of care. Both outcomes undermine the stability and effectiveness of the services that special districts provide to the public.

By providing a clear, time-limited process for resolving disputes, SB 1529-1 promotes stability and predictability in contracting. This allows SDIS and its member districts to plan responsibly, manage long-term costs, and avoid sudden financial shocks that can lead to service reductions or higher employee cost-sharing.

Balancing Market Power and Promoting the Public Interest

Special districts and public benefit plans like SDIS do not have the market power of large national insurers, yet they serve tens of thousands of Oregonians.

SB 1529-1 creates a balanced framework that encourages good-faith negotiations while providing a backstop when those negotiations fail. The mediation and arbitration process outlined in the bill protects the public interest by ensuring that neither party can unilaterally disrupt access to care for large populations of Oregonians.

CONCLUSION

Oregon's special districts are on the front lines of public service, and their employees deserve reliable, affordable access to health care. SB 1529-1 provides a thoughtful, measured approach to preventing coverage disruptions, stabilizing health care costs, and ensuring that disputes between insurers and providers do not harm workers or the communities they serve.

For these reasons, the Special Districts Association of Oregon and Special Districts Insurance Services respectfully urge the committee to support SB 1529-1.

Respectfully submitted,

Hasina Wittenberg
Special Districts Association of Oregon