



TO: House Health Care Committee
FROM: Stacy Michaelson, Director of Government Relations and Communications
DATE: February 10, 2026
RE: HB 4155

Chair Nosse, Vice-Chairs Diehl and Nelson, Members of the Committee:

Thank you for the opportunity to submit testimony on HB 4155. OSBA is neutral on this bill but does want to elevate its downstream impact on school district costs.

Each session the Legislature brings bills to ensure that certain health care services are covered by insurance providers generally and/or PEBB and OEBC specifically. Access to quality care is important for everyone, and health coverage plays a role in employee satisfaction at the local level.

That said, OEBC cost growth is statutorily limited to 3.4% since the passage of SB 1067 from 2017. Because of this statutory cap, a maximum of 3.4% is what is used when calculating State School Fund roll-up costs biennium over biennium. However, actual carrier rate increases often exceed the 3.4% cap. In these cases, the options are generally: lower the benefit level of plans, OEBC employers pick up the difference to maintain more robust plans, and/or a greater share of cost-burden shifts to employees via premiums or larger co-pays.

When the Legislature requires additional services to be covered, that increases the carriers' costs and in turn makes it harder to keep cost growth below the 3.4% cap. We are in favor of ensuring employees have access to a robust array of providers and health services, but unless the Legislature addresses the 3.4% cost growth cap, the addition of newly required services under OEBC will likely result in a thinner benefit overall and/or districts needing to make reductions elsewhere in their budgets to make up the gap.

We hope to continue the discussion about the cost growth cap on OEBC and the impact it has on employees and district budgets in 2027. Thank you again for the opportunity to draw attention to the nexus with well-intended bills like HB 4155.