



Feb. 11, 2026

Senate Committee on Health Care  
Oregon State Legislature  
900 Court St. NE  
Salem, OR 97301

Re: SB 1529 – relating to health care

Dear Chair Patterson, Vice-Chair Hayden, members of the committee,

Providence is a not-for-profit network of eight acute care hospitals, including two critical access hospitals, physicians, clinics, home health services, affiliated health services, and a state-wide health plan. Providence's health plan is not fully integrated, rather it relies upon both the Providence providers described above and additional providers from other organizations across the state to develop provider networks for members' access to care. As such, we are uniquely positioned as a provider organization and health insurance carrier to understand the complexity of contract negotiations. We urge you to oppose SB 1529, -1 amendment.

**Providence is Committed to our Communities.** Providence understands the importance of consistent, reliable access to health care. We strive to meet that standard for our patients and members. We take seriously our contract negotiations, and we work to prevent them from disrupting the care that our patients and members need. We also recognize that there are circumstances wherein negotiations between two parties fail to reach an agreement, despite our efforts otherwise. In such situations, we work to ensure our patients and members are fully informed of the situation and provided options to ensure that needs do not go unmet.

**Mutually Agreed upon Contract Terms are Essential to Mitigate Costly Litigation.** When payers and providers enter into a contract, the organizations have a meeting of the minds, wherein each agrees to the terms for the relationship. Then, as the contract guides the relationship, each is able to execute with a common understanding, mitigating disputes. A contract of adhesion, however, would not have the same effect on the relationship. Rather, disagreements on terms would be more likely and expensive litigation would likely increase, costing the system unnecessary expense.

**Contracts Under Duress are Unlawful.** Senate Bill 1529, -1 amendment will require health care providers and insurers to enter into mediation and binding arbitration if they reach an impasse in contract negotiations. This approach to payer/provider relationships fails to understand the tenets of contract law and the role of binding arbitration in disputes.

Binding arbitration is a tool, like the judicial process, used to resolve conflicts where the parties had a duty or other obligation that one or both asserts has been violated. Instead of bringing litigation to have a judge resolve the dispute, the parties mutually agree to undergo binding arbitration. Such an agreement is essential to the legitimacy of the process due to the



constitutional right of a party to have a judge adjudicate their claim or controversy. The U.S. Constitution prohibits forcing binding arbitration on a party without the party's consent.

S.B. 1529 -1 amendment, however, contemplates forcing binding arbitration on parties before either party enters into a contractual agreement, compelling duties and obligations. As such, the legislation attempts to force parties into a contract against their will, creating a contract entered into under duress, which makes the contract legally unenforceable.

**Payers and Providers May Leave Markets Where Forced Relationships are Untenable.**

Senate Bill 1529 -1 amendment essentially locks all providers and health plans into the networks that they have in place as of January 1, 2028, when the bill goes into effect. The only mechanism a provider or health plan would have to discontinue working with the other would be to discontinue a practice or service area. For providers who want to move to private pay, providers who prefer the terms available with a new health plan, or health plans who are being priced out of operation in an area, this legislation prohibits any movement other than away from care and service for patients and members in a geographical area. As such, if this legislation were to pass, we can anticipate market disruptions in 2026 and 2027, as payers and providers set the stage for their permanent partnerships come 2028.

**Additional Strain on the Health Care System Poses Access Risk for Oregonians.** Oregon's health care system is already under significant strain. Medicaid reimbursement falls short of covering the actual cost of providing care, while increasing regulatory and administrative requirements continue to drive costs higher. Now, with the anticipated impacts of HR 1 (2025), including an increase in the number of uninsured and reductions in the federal funding states rely on to support the Medicaid system, Oregon's health care system is facing even greater uncertainty. In a time of financial constraints, it is critical that we fully address the existing regulatory framework imposed on health insurers and providers, easing unnecessary burdens and working to improve access, cost, and quality for Oregonians. Only after this work, should we look to add new requirements that meet the same objectives.

Providence supports policies that expand access to care. This policy does the opposite. We strongly urge you to vote "no" on SB 1529 -1amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "Jackie Fabrick".

Jackie Fabrick  
Government Affairs Director  
Providence Health & Services  
Jackie.Fabrick@Providence.org

A handwritten signature in black ink, appearing to read "Tara Harrison".

Tara Harrison  
Government Affairs Director  
Providence Health Plan  
Tara.Harrison@Providence.org