

Nearly 40% of Oregonians currently get their health coverage from the commercial health market.

The concept described in this bill is one of about 7 recommendations from a draft report from the Department of Consumer and Business Affairs. That report addresses the difficulty of obtaining adequate health insurance for individuals and families.

To quote DCBS: “Although employer-provided health insurance is still common in Oregon, 17 percent of Oregonians have no health insurance, and most Oregonians with coverage are paying more out of their own pockets for health care as employers shift more costs to employees.”

I believe your committee is hearing bills covering most of the other recommendations.

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**The Problem: Rate filings are not readily available to the public. The process should be more “transparent.”**

DCBS is responsible for approving rates for individual and small group health plans and is publicly accountable for the results of its rate review process. But the review process itself takes place almost entirely outside the public eye. Through a combination of confidentiality laws, trade secret protections, and lack of practical options for public access, the rate filings received by DCBS and reviewed by their actuaries are generally not available to the public during the review process.

### **The Solution: House Bill 3103 will open up public access to rate filings**

The bill requires that a carrier’s rate filings of individual, portability and small employer group health benefit plans be made available for public inspection immediately upon filing with the Department.

The bill allows the Director to make the filings accessible to the public by posting them on the Department’s web page for easy access by stakeholders.

The bill authorizes the Director to exempt from disclosure portions of rate filings that contain trade secrets that would harm competition if disclosed.

I’d like to mention 3 key points:

#### 1. Public rate review enhances public accountability.

An open public process will enhance the state’s commitment to public accountability.

Public rate filings will facilitate public scrutiny and create opportunities for stakeholders to comment on specific rating issues and offer alternatives. Public access to rate filings will also bring Oregon in line with other states that make rate filings public and open to scrutiny. <sup>i</sup>

#### 2. Public rate review enhances market competition.

Creating a public rate review process will be beneficial to the health insurance market in Oregon. HB 3103 will enhance market competition and accelerate the process by which innovative rating practices spread across the health insurance market.

3. The bill provides reasonable protection of trade secrets.

An open and public rate review process is good for the health insurance market; however, the law should include an opportunity for insurers to protect legitimate trade secrets. HB 3103 provides the needed protection where the insurer can demonstrate that disclosure would harm rather than enhance competition.

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And finally, a potential concern, and a solution:

One concern I have heard regarding this bill is the possibility of creating an unfair advantage for some carriers as other carriers' filings are made public.

As I reflect on the importance of remaining neutral and ensuring a level playing field, I would be happy to work with the committee to ensure fairness as this system is implemented.

To address such concerns, I recommend that the committee consider the start-up phase, in particular. For example, requiring the Department to post the most recent filings from all the providers, as a starting point, so that comparable information for each is equally accessible to the public.

Thank you for your time, Mr. Chair and members of the committee.

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<sup>i</sup> 9 other states make these public. 5 post them on the web: Wisconsin, Florida, Oklahoma, North Carolina, Tennessee. 4 more: Wyoming, Hawaii, Montana Louisiana