



**REPRESENTATIVE JULIE PARRISH
OREGON HOUSE OF REPRESENTATIVES
HOUSE DISTRICT 37**

April 14th, 2017

For Immediate Release

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**OREGON LEGISLATURE HOLDS HEARING TO MOVE PUBLIC EMPLOYEE HEALTHCARE INTO
CCOs**

Rep. Julie Parrish cites the need for cost reforms before revenue increases can be considered

WEST LINN, OR. — The Oregon Legislature’s House Healthcare Committee today held its first public hearing on House Bill 3428, a transformative bill that would move public employees into a Coordinated Care Organization delivery model of healthcare. The bill’s chief sponsor, Representative Julie Parrish (R-West Linn/Tualatin), testified to the need for a cost-containment measure that would reduce costs for taxpayers, avoid the “Cadillac Tax” on public employee plans, and all the legislature to redirect savings to schools and low-income families.

An estimate by former Governor John Kitzhaber in 2013 showed that the state would save nearly a billion dollars a biennium by moving employees into a global-budget model.

“Today’s hearing was the start of an important conversation about how we close a \$1.6 billion dollar budget gap that is of the legislature’s own making,” stated Parrish. “We can no longer treat publicly-funded healthcare as part of a compensation package, rather, we need to look holistically for savings across all taxpayer plans, regardless of why someone is eligible for such a plan. Only then can we achieve savings that can be used to decrease class sizes, keep low-income families on our Oregon Health Plan, and honor voter-intended goals of helping veterans (M96) and funding STEM and Career-Tech education (M98).”

The main opposition to House Bill 3428 were associations representing government organizations, and public employee unions. Parrish ironically noted that Service Employees International Union, who testified today that this would be harmful to their members, had supported House Bill 3650 in 2011. The 2011 legislation has a specific provision already in law that says the Oregon Health Authority will have a process to move PEBB and OEGB plans into CCOs once they were stood up for Medicaid.

Parrish was disturbed to see SEIU testify against a law that they supported in 2011. In her testimony, Parrish quoted an SEIU floor letter that stated: ‘House Bill 3650 has the promise to be a key step towards curbing health care inflation that is crippling the state budget.’

“This really comes down to the blatant political elitism of SEIU, and other public unions which endorsed the Affordable Care Act. That they should have a special carve out from the ACA no matter the expense it costs the taxpayers is outrageous,” said Parrish. The Eugene *Register Guard* recently reported Oregon pays more for public employee healthcare plans than any other state on the West Coast, and a full billion dollars more per capita than Washington State. The average employee plan in PEBB and OEGB costs taxpayers \$17,000 per year.

This bill was carried over for a possible work session on Monday, April 17th. “The budget deficit we face will compound year over year without immediate structural changes. We can’t go home this session without real reforms. Oregonians have given us more than enough tax revenue and we’ve spent it like kids in a candy shop. I cannot even fathom increasing another dime of tax increases until we reform costs,” Parrish said. “And hopefully, if we do our jobs right, we won’t have to raise taxes and we can finally learn to live within our means.”

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