

April 11, 2019

Washington State Senate
447 John A. Cherberg Building
P. O. Box 40466
Olympia, WA 98504-0466

Dear Senator,

On behalf of Community Health Plan of Washington, Premera Blue Cross, and Regence BlueShield, we urge you to support the approach adopted by SB 5526, which would establish an affordable public option for Washington.

This legislation will ensure that patients in Washington's individual market will have less expensive premiums and more affordable deductibles. This is achieved by creating standardized plans and by addressing the underlying cause of high health care costs through a flexible provider reimbursement structure.

Creating ranges for provider reimbursement rates at a percent of Medicare is key to affordability. It also allows diversity in individual provider reimbursement levels while limiting overall cost increases by mandating an overall network maximum. SB 5526 holds that promise.

While we understand that the goal of HB 1523 is to lower health care costs for patients, we believe that the alternative active purchasing model will not truly lower the cost of health care. As insurers, our core function is making sure that our members receive the right care at an affordable cost. HB 1523's active purchaser model entirely ignores the underlying cost of care. It focuses instead on arbitrarily suppressing health plan premiums rates unrelated to the cost of care.

The Affordable Care Act was the first step in health care reform. The reforms were focused on making health insurance more broadly available and adding important consumer protections. The next step in true health care reform must address the underlying cause of high health care costs. Health care costs that drive insurance premium levels include provider and hospital reimbursements and pharmaceutical costs. SB 5526 takes the next step in health care reform by creating a public option health plan for Washington that addresses the cost of care while allowing flexibility in provider reimbursement levels.

The undersigned organizations represent the major non-profit health care organizations that are based in Washington State. We are invested in our state and our communities and serve all health care markets, including individual, small group, large group, Medicare and Medicaid. We respectfully request you support the approach SB 5526.



Regence