



Public Comments
Michael Schultz, Volunteer State President
OHA Public Hearing on Cost Growth Target Program
September 14, 2023

AARP is pleased to testify and submit these comments before the Oregon Health Authority's Cost Growth Target public hearing. AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With over 500,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families.

Health care affordability, rising health insurance costs, and a lack of confidence in affording unexpected medical bills are significant concerns for adults ages 40 to 64. A new AARP Research study found that affording health care costs was an issue for a substantial number of adults within this age group.

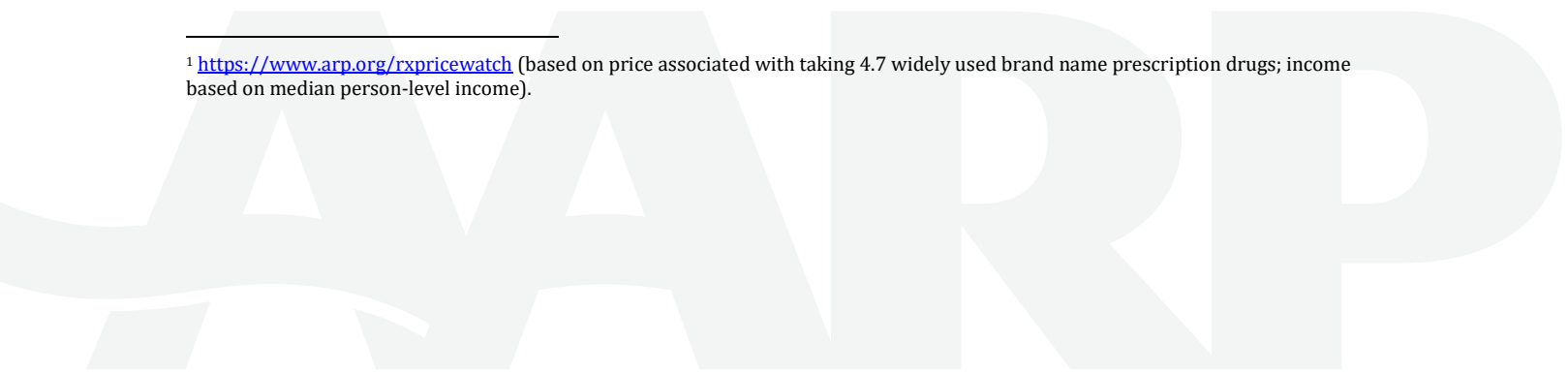
Here in Oregon AARP conducted our 2023 Vital Voices survey, issuing a report that highlights the views of Oregonians age 45 and older on a variety of issues including health care, caregiving, livable communities and financial security. Some 91 percent of respondents viewed being able to afford health care expenses as extremely or very important, up from 78 percent in 2020, the survey shows.

Oregonians should not have to choose between buying medicine and paying for food and rent but that is the reality faced by too many. In Oregon, the annual cost of prescription drug treatment increased 26.3% between 2015 and 2019, while the annual income for Oregon residents only increased by 14.1%¹

High health care spending affects individuals, families, and employers. Individuals and families face higher health care premiums and cost-sharing, and employers and governments must pay more for health insurance and services. In response, employers are finding ways to limit their exposure to health care costs by cutting back on benefits, shifting to high-deductible health plans, or dropping coverage altogether.

Public and private insurance should provide adequate health coverage. Costs, such as premiums, deductibles, and other out-of-pocket expenses, should not be burdensome to consumers or limit access to coverage or necessary services. Sufficient financial assistance should be available to consumers with low incomes to ensure affordability for all.

¹ <https://www.aarp.org/rxpricewatch> (based on price associated with taking 4.7 widely used brand name prescription drugs; income based on median person-level income).



Public and private policies and practices should eliminate disparities and promote health, especially with marginalized populations. Access to health and health care supported by a robust, diverse, and qualified workforce must be ensured.

This year, AARP was successful in advocating for significant prescription drug price reforms at the federal level, including giving Medicare the authority to negotiate drug prices.² However, most of the impact of those reforms only affects people on Medicare. There remains much more that can and should be done at the state level to address the high cost of prescription drugs. In Oregon we have made important advances to bring transparency to the reasons for drug price increases, but we must empower the Prescription Drug Affordability Board (PDAB) to set Upper Payment Limits (UPLs) on certain high-price drugs, utilizing data that is collected by the existing drug price transparency law.

AARP supports efforts to pursue innovative strategies to reduce health care costs. These strategies should constrain growth in price, volume and intensity of health care services without compromising quality of care or inappropriately denying access to care. Cost-containment efforts should address the root causes of unproductive cost growth. They should not create incentives to shift costs inappropriately to patients or other payers.

We appreciate the opportunity to provide comments today and AARP Oregon stands ready to join with others in addressing the high cost of health care so our members no longer have to make tough decisions about whether or not they can afford the health care they need.

² <https://www.aarp.org/politics-society/advocacy/info-2022/medicare-budget-proposal.html>