

Madam Chair Monnes Anderson, members of the committee:

I am Rob Sisk, President of SEIU 503, OPEU, and I am also speaking on behalf of sister Local SEIU 49. Together we represent over 65,000 workers and their families throughout Oregon, with thousands of our members employed in the health care field. For many years SEIU both on the national and the state level has been advocating for affordable, quality healthcare for all. Our work has been guided by the conviction that regular access to quality health care is not just a privilege for those who can comfortably afford it, but a right for all. If access is limited, the economically disadvantaged so desperately needing both the physical care and the moral support are not only ignored, but their health issues dangerously worsen, which drives up the cost of health care for all, since neglected conditions require more intensive and prolonged treatment than if they are addressed at earlier stages.

SEIU 503 on a national and state level has also championed health care that will reign in escalating costs for both public subsidized and privately paid health care. We support strategies, operations and outcomes that put Oregonians first as consumers and taxpayers by creating the most cost-efficient system with the best possible results. Tragically, for what should be a humanitarian-driven system, health care services continue to be exploited by those using it for their own financial interest: the pharmaceutical industry, the insurance industry and unfortunately, often by what should be the paragon of health care and its most recognizable face, the hospital industry. Executive compensation and profits in all these industries are outrageously – and immorally – high as these industries have spent nearly \$3 billion in the last 15 years lobbying for more tax breaks, tax loopholes, exemptions, protections and other special privileges enabling monopolies on high-cost drugs and procedures, excessive fees and other profit drivers. As a result healthcare

costs continue to escalate so that even those with insurance plans are left with high premiums, copays and deductibles, yet quality and access remains low for many Americans, and not uncommonly, with substandard results.

A study less than a year ago published in Forbes showed the United States dead last behind ten other major developed countries in overall health care and in the categories listed, it was second to the last in access, last in efficiency, last in equity, and far and away highest in cost. Dr. Russell Andrews, a neurosurgeon and author of the book *Too Big To Succeed* – a stark revelation of how America is on an unsustainable health care course – laments “... the morphing of American medicine from a function of a humanitarian society into a revenue stream for healthcare profits, drug and medical device companies, hospitals, and insurance companies. In essence, we have transformed healthcare in the U.S. into an industry whose goal is to be profitable.” Andrews goes on to characterize the profit motive as “a virus” infecting the health care system.

Even with the Affordable Care Act, the low-income and the no-income struggle or simply can't pay the costs that are left them. Despite the intentions of ACA, these on the edge – or who have fallen off- do not have full access to care or their care is limited. Insurance companies have found ways to get around the act by minimizing plans and still pushing expenses on to the insured in order to ensure their high profits. Five of the largest health care insurers in America made a combined profit of nearly \$18 billion in 2014. Dr. Sachin Shah with Doctors For America states that for insurance companies, their “business model is to profit by finding ways to avoid caring for sick people in their time of greatest need.”

Drug costs continue to be high for many who have no other alternative. Pharmaceutical companies have long since moved from simply making profits to profiteering – at the expense of those in dire need of medicine for survival. The top ten drug companies in the world made a combined profit of \$83.33 billion in 2013. In the interest of profits, a majority of hospitals avoid transparency on service costs and outcomes. Hospitals enjoying tax-exempt status as nonprofits avoid the obligation of charity care that should go with that

status. Again, in the interest of profits – in what should be a model of humanitarian service – costs are excessive as well as executive compensation.

Meanwhile, health care spending is about 17% of the economy – or about \$3 trillion – and is projected to reach 20% of the economy (GDP) by 2021. In Oregon, it is significantly more: around \$9 billion, or about 22% of our state budget. The necessity for care against the costs escalating nonstop means other parts of our economy and other vital public services are alarmingly underfunded or neglected.

Our objective should be obvious: take the obsession for profit out of healthcare and you put the care back into healthcare. The primary motivation should be to keep Americans healthy and to return Americans to the best health possible. When we accomplish that, we all will profit in so many other ways as well.

SEIU is here today because it supports legislation for the system that will do that best.