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Chair Good, Ranking Member DeSaulnier, and Members of the Subcommittee:

Thank you for holding this important hearing on *“Lowering Costs and Increasing Access to Health Care with Employer-Driven Innovation,”* and for the opportunity to testify today.

I’m Michele Beehler, and I’m the Senior Director of Health and Wellbeing at Schweitzer Engineering Labs—SEL.

SEL was founded by Dr. Edmund Schweitzer, over 40 years ago, in the basement of his home in Pullman, Washington.

We are a proud, 100% employee-owned American company, researching, designing, and manufacturing right here in the U.S.

At SEL, we specialize in creating digital products and systems that protect, control, and automate power systems here at home and in 170 countries around the world. Our products are sold to 99% of the electric utilities in the United States.

We make power outages safer and shorter in duration; we add cybersecurity, automation, and communication to critical electrical infrastructure. We use innovative and cutting-edge technologies and operate at speeds that push other pieces of the grid to go faster.

We have over 6,500 employee owners worldwide, nearly 10,000 covered lives in our U.S. healthcare system, and we have a presence in 37 states around the country.

At SEL, we are rooted in a set of values and core business practices that we call our Principles of Operation. These Principles guide us, and, in the words of Dr. Schweitzer, they help us to “run our business the way our mothers would want us to.”

Central to these principles are the ideas of ownership and community.

For example, when it comes to healthcare, we believe we should own our claims data so we can make the best and informed decisions and meet our fiduciary responsibility to our employees and their families.

We strive to empower employee owners to take ownership of pricing and quality information so they can make the right choices for themselves and their families.

We believe in strong community partnerships—especially with our local hospitals to take ownership and work towards lower cost and higher quality care.

This drive for ownership inspired SEL to start its own health clinics over 10 years ago to serve employee owners and their families. SEL now has two health clinics in the United States and in 2023, these clinics completed over 20,000 visits.

Our medical staff includes a doctor, nurse practitioners, nurses, physical therapists, mental health professionals, and a pharmacist. We provide convenient access to high-quality, comprehensive primary care services at no out-of-pocket cost to our patients.

We deliver high-quality and patient-centric care with virtually no wait time and at similar or lower cost than other clinics. We've removed many burdensome barriers and other obstacles when it comes to seeking care. With a simple walk across the parking lot, our employee-owners can see their healthcare provider.

We are proud of our work and support in the mental health space as well—we offer in-house counselors, a robust employee assistance program, and free virtual counseling services for all employees and their families.

Further, we are excited about the continued growth of our pharmacy program, which has consistently delivered savings while improving patient care. SEL has a physician-dispensing pharmacy with medications such as antibiotics and dosage-starting drugs. We counsel our patients on drug interactions and help patients review their prescription lists to look for ways to save on lower cost options like generic drugs.

Recently, by working with just 25 individuals to help them identify lower cost sources for their medications, we will likely reduce our annual pharmacy care spend by 25%.

In addition to improving our health care and benefits offerings within SEL, we also began to work with external partners, like our local hospitals and providers, through direct contracting.

On the policy front, the No Surprises Act, specifically section 201, has been tremendously helpful to SEL, providing us with critical access to claims data. This law, along with the Hospital Price Transparency Rule, and the Transparency in Coverage Rule, has given us more valuable and useful information about the market, equipping us with the right tools to find a price that is both fair and reasonable for SEL and the provider as well.

With healthcare price transparency, we have been able to do the following:

- Review contracts with our claims administrator and other healthcare providers to avoid some hidden fees, remove anti-audit clauses, and other provisions that hinder cost recovery.
- Proactively gather pricing and claims data from our claims administrator, requesting all negotiated prices and claims data. This has been a long, burdensome, and tedious process that we have been working on for nearly 18 months—while we have received most of our data, we have hit roadblocks with electronic payment information.
- Thoroughly analyze our plan data and contracts—reviewing areas of additional cost savings—from scrubbing pharmaceutical claims to identifying large discrepancies in prices that not only benefit our plan but also the claims administrator.
- Effectively, identify and implement savings opportunities from renegotiating service provider contracts, sending out RFPs for new and innovative partners, eliminating middle players, contracting directly with high-quality hospitals like Pullman Regional, and managing our prescription drug program.

The few examples I just shared helped us save nearly \$2 million in 2023, and we believe we are on track to more than double those savings in our second year, while also greatly improving the quality of care.

We are just in the beginning phases of fully utilizing transparency, and we have seen many benefits with these policies, but have run into obstacles along the way, for example:

- Continued data access issues with the claims administrator
- The overall complexity of the healthcare business
- Middle players like PBMs and healthcare consultants taking advantage of complexity to increase cost

As Congress looks to bring more transparency into the marketplace, we encourage the committee to support efforts that do the following:

- Simplify; the simplest transaction is between the patient and the doctor, the nurse, the psychologist, and all providers.
- Strengthening hospital price requirements and Transparency in Coverage Requirements as you have done in H.R. 5378, the Lower Costs, More Transparency Act bill passed out of the House last December.
- And finally, please increase group health plan access to health data. Currently, employers like SEL have the right to access, audit, and review all de-identified claims and encounter info, but carriers can restrict disclosures. Please remove those restrictions and grant access to all claims and encounter data.

Thank you again for your consideration, and the opportunity to be here today as a witness.