

**REVENUE: No revenue impact**

**FISCAL: Fiscal statement issued**

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<b>Action:</b>	Do Pass and Rescind the Subsequent Referral to the Committee on Finance and Revenue
<b>Vote:</b>	3 - 0 - 2
<b>Yeas:</b>	Bates, Kruse, Monnes Anderson
<b>Nays:</b>	0
<b>Exc.:</b>	Morse, Shields
<b>Prepared By:</b>	Brian Niebuurt, Administrator
<b>Meeting Dates:</b>	4/7, 4/14, 4/18

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**WHAT THE MEASURE DOES:** Requires the Oregon Health Authority (OHA) to provide the 2012 Legislative Assembly with a plan for providing health care coverage to all Oregonians that meets the public health goals, strategies, programs and performance standards adopted by the Oregon Health Policy Board. Requires the plan to include: (a) a recommendation for a broad-based and constitutionally dedicated funding source consisting of a sales tax, and avoiding any income or payroll tax; (b) permission to allow the state to obtain a waiver of the requirements of the federal Patient Protection and Affordable Care Act (PPACA); (c) identification of sources of federal funds that may be used to provide health care coverage; (d) identification of possible program savings; (e) preservation of private sector delivery options and optimized consumer choice; (f) assumption that Oregon employers will no longer need to provide health insurance to employees; (g) provision of essential health benefits; (h) reasonable residency or other qualifications for participation; (i) a mechanism for risk management and cost containment; (j) deductible requirements for Oregonians earning over 400 percent of the federal poverty guidelines; and (k) the provision that Oregonians who earn no more than 400 percent of the federal poverty guidelines will have no deductible. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Sustainability of current system
- Changes in Oregon economic indicators
- Cost-shifting by payer
- Potential cost and sales tax level
- Potential savings and federal matching
- “Death spiral” experience in New York
- Items to be taxed
- Potential economic stimulation
- Role of insurers
- Single funding versus single payer
- Potential for expanding study

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Section 1332 of PPACA establishes that states may apply to the Secretary of United States Department of Health and Human Services for an innovation waiver from several requirements of federal health care reform. Requirements eligible for innovation waiver applications include: (a) establishment of qualified health plans; (b) establishment of an insurance exchange; (c) reduced cost-sharing for low-income individuals; and, (d) credit and penalty provisions of the Internal Revenue Code.

Senate Bill 972 requires OHA to deliver to the Legislative Assembly a plan to take advantage of these federal waivers. The plan will be based on a sales tax and will aim to provide affordable health care coverage to all Oregonians.

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*This summary has not been adopted or officially endorsed by action of the committee.*