

# Senate Bill 972

Sponsored by Senators MORSE, MONNES ANDERSON, KRUSE, BATES; Senator SHIELDS (at the request of John DiLorenzo, Jr.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Oregon Health Authority to develop plan for providing health care coverage for all Oregonians, including recommendations for constitutionally-dedicated sales tax, assumptions regarding private sector health care delivery options and elimination of need of employers to provide health insurance coverage to employees, and options to eliminate plan deductibles for persons below certain levels of federal poverty guidelines.

Directs authority to submit plan to interim health care committees of Legislative Assembly no later than 60 days preceding date of convening of 2012 regular session of Legislative Assembly.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1 Relating to the study of alternative funding for health care; and declaring an emergency.

2 Whereas the current health care system is unaffordable and unsustainable; and

3 Whereas employers are eliminating or limiting coverage; and

4 Whereas an increasing number of individuals can no longer afford health insurance; and

5 Whereas under section 1332 of the federal Patient Protection and Affordable Care Act (the State  
6 Ingenuity Amendment) states may design their own health care plans provided they meet minimum  
7 federal standards; and

8  
9 Whereas, if the federal government approves a state's waiver, tax credits and subsidies that  
10 otherwise would be provided for those who are required to purchase insurance under the federal  
11 Act will be monetized and distributed to the state plan to lower the expenses of the operations of  
12 the state plan; and

13 Whereas Oregon should take advantage of the State Ingenuity Amendment to continue the  
14 state's tradition of leadership through innovation; and

15 Whereas an Oregon Health Care Ingenuity Plan can remedy major failings of the current health  
16 care system, including the lack of coverage for children and the linkage of health care benefits to  
17 employment status; and

18 Whereas an Oregon Health Care Ingenuity Plan should provide essential benefits, including  
19 preventive care and hospitalization services, and should allow an opportunity to buy additional  
20 coverage not included in the basic plan; and

21 Whereas an Oregon Health Care Ingenuity Plan should eliminate or limit the present cost  
22 shifting between the uninsured, underinsured and fully insured; and

23 Whereas instead of a group consisting of a tenured and aging workforce more reliant on health  
24 services as time goes on, the Oregon essential benefits group should consist of every legal resident  
25 of the state, including every child and every healthy person who is currently uninsured; and

26 Whereas under an Oregon Health Care Ingenuity Plan every Oregonian should pay his or her  
27 fair share for coverage; and

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1       Whereas, unlike the federal plan, under an Oregon Health Care Ingenuity Plan there should be  
2 no fines or punitive measures taken to force anyone to buy insurance; and

3       Whereas an Oregon Health Care Ingenuity Plan could provide substantial savings because the  
4 plan would cover the medical side of workers' compensation expenditures, resulting in the state no  
5 longer having redundant Oregon Health Plan expenditures; and

6       Whereas an Oregon Health Care Ingenuity Plan should place Oregon at a competitive advantage  
7 with respect to other states because labor intensive employers could look to Oregon as a place  
8 where employers could locate headquarters or facilities and save significant portions of payroll costs  
9 by virtue of no longer having to pay for essential health care benefits; now, therefore,

10 **Be It Enacted by the People of the State of Oregon:**

11       **SECTION 1. (1) The Oregon Health Authority shall provide to the interim committees**  
12 **of the Legislative Assembly having jurisdiction over health care policy, not later than 60 days**  
13 **preceding the date of convening of the 2012 regular session of the Legislative Assembly, a**  
14 **plan for providing health care coverage to all Oregonians that meets the public health goals,**  
15 **strategies, programs and performance standards adopted by the Oregon Health Policy Board**  
16 **to improve the health of all Oregonians.**

17       **(2) The plan must:**

18       **(a) Recommend a broad-based and constitutionally-dedicated funding source consisting**  
19 **of a sales tax, and avoid any tax based on income or payroll.**

20       **(b) Permit this state to obtain a waiver of the requirements of the federal Patient Pro-**  
21 **tection and Affordable Care Act (P.L. 111-148) under section 1332 of the federal Act.**

22       **(c) Identify all sources of federal funds that can be monetized and returned to this state**  
23 **for use in providing health care coverage to all Oregonians.**

24       **(d) Identify program savings that could be achieved through providing health care cov-**  
25 **erage to all Oregonians, including but not limited to replacement of the Oregon Health Plan**  
26 **and the medical care portion of workers' compensation, and assume that the program**  
27 **savings could be used to finance the state health care system.**

28       **(e) Assume that the role of the plan will be to collect and distribute revenues while pre-**  
29 **serving private sector delivery options and optimizing consumer choice in health care.**

30       **(f) Assume that Oregon employers will no longer need to provide health insurance to**  
31 **employees unless they wish to purchase coverage for employees that exceeds essential health**  
32 **benefits.**

33       **(g) Provide essential health benefits, including preventive care and hospitalization ser-**  
34 **vices, and allow an opportunity for accessing markets to buy additional coverage not included**  
35 **in the basic plan.**

36       **(h) Provide for reasonable residency or other qualifications for participation.**

37       **(i) Provide a mechanism for cost containment and risk management.**

38       **(j) Provide for Oregonians who earn above 400 percent of the federal poverty guidelines**  
39 **a deductible plan to match health savings accounts, which could be contributed to by em-**  
40 **ployees and employers.**

41       **(k) Provide that for Oregonians who earn no more than 400 percent of the federal poverty**  
42 **guidelines there shall be no deductible, and that the plan complies with federal coverage re-**  
43 **quirements.**

44       **(3) The authority shall:**

45       **(a) Submit the plan in the manner provided in ORS 192.245.**

1       **(b) Prepare and submit the plan using funds existing in the authority’s legislatively-**  
2 **adopted budget for the biennium beginning July 1, 2011, without reallocation of resources.**

3       **SECTION 2.** **Section 1 of this 2011 Act is repealed on June 30, 2012.**

4       **SECTION 3.** **This 2011 Act being necessary for the immediate preservation of the public**  
5 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**  
6 **on its passage.**

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