

To: House Committee on Health Care

From: Main Street Alliance of Oregon

Date: May 13, 2013

Re: Letter in Support of HB 2922

Chair Greenlick and Members of the Committee,

Main Street Alliance of Oregon, a coalition of more than 1200 small businesses across Oregon, supports HB 2922. Our member firms range from 400 employees to sole proprietors with no employees. Eighty per cent of our members have six or less employees.

One of our key areas of concern is healthcare reform. We have advocated for and defended the Affordable Care Act and the formation of Cover Oregon, the new Oregon health care marketplace. Members of our executive team sit on both the Cover Oregon board and the Consumer Advisory Committee. However, these initiatives do not solve all the problems with providing healthcare to our entire state.

When it comes to health insurance, 60% of our member employers themselves have coverage, often through individual policies with very high premiums and limited coverage. 15% offer insurance as a benefit to their employees. In the past seven years, the cost of health insurance to employers has doubled, causing them to raise deductibles, co-pays or, unfortunately, drop coverage all together.

Among the many benefits of the Affordable Care Act, is the state managed health insurance exchange, Cover Oregon, which offers the promise of standardized health insurance coverage and larger insurance pools that should overtime lower the complexity and cost of health insurance coverage for small business in Oregon. Also, the tax credit that the Affordable Care Act provides to small business which otherwise could not afford coverage for themselves or their employees is a significant plus.

The Affordable Care Act does not however cover every working Oregonian, let alone every Oregonian. For most Oregonians, it continues to make health insurance a matter of employment, leaving the fate of workers and their family's health and financial security to the discretion of the employer's choice of health insurance plan, which may have prohibitively expensive deductibles and co-pays.

Some employees will not have family dependent coverage offered by their employer as this is not required by the Affordable Care Act, and most employees with lower paying wages will not be able to afford the additional premium to provide coverage for their families; this leaves more

Oregonians unprotected. Many employees with coverage will choose not to purchase needed healthcare due to high deductibles, practically meaning neither they nor their spouse or children will seek timely and appropriate healthcare, leading to potentially serious conditions.

Insurance premiums under the Affordable Care Act continue to rise, although generally at a slower rate than in the past. However, it is speculated when the high-risk individuals who have not had adequate healthcare for a long time and are at higher risk enter the Exchange Pool, rates will spike and rise rapidly once again.

For its many benefits, particularly protection of patient rights and non-exclusion rights, the Affordable Care Act is a step forward. It very clearly is not the total answer to small business and most Oregonian's healthcare needs.

In a 2012 survey conducted by the Main Street Alliance of Oregon 61% of the 390 Oregon small business surveyed indicated they favor a universal healthcare or single payer system that provides coverage to all Oregonian regardless of their work status.

A universal healthcare or single payer system would greatly help Oregon Main Street businesses. It would:

1. **Remove business owners from the health care management business.** *Universal care relieves employers of all administrative responsibilities. Employers do not need to manage funds, determine benefits, or pay providers.*
2. **Keep health care costs predictable.** *Universal care allows every business to know its costs beforehand. These costs do not change regardless of employee health, family size, or full-time/part-time status.*
3. **Keep employees, full- and part-time, healthy and productive.** *By removing deductibles and co-pays, universal care encourages employees to seek health care early. Employees stay healthier and more productive, reducing sick time costs.*
4. **Provide employees with competitive health care benefits. Keep productive employees from seeking better benefits at another company.** *Universal care means every employee gets the same comprehensive benefits regardless of employer. Entrepreneurs can start a new business and retain health care access for themselves, their families, and new employees. Employers do not need to split full-time positions into multiple part time positions to reduce health care costs.*
5. **Keep health care costs similar to competitors, so other companies aren't paying less by**

reducing or eliminating health care benefits. Companies of similar size in the same industry will pay the same amount per employee. Oregon companies can better compete internationally with countries already providing universal care.

- 6. Assure health care independent of labor-management negotiations. Benefits are determined by the single payer agency, not by individual labor-management contracts.*
- 7. Remove the costs of providing care for retired and disabled employees. A universal health care system provides everyone in Oregon with the same benefits, regardless of age, employment status, or disability.*

The Main Street Alliance of Oregon strongly believes a publicly funded universal healthcare system in Oregon and eventually the entire country is the only feasible and sensible way to provide the healthcare that every Oregon citizen both deserves and needs.

The Main Street Alliance of Oregon strongly endorses HB 2922 and encourages its thorough review and passage.

Yours respectfully,



Jim Houser, co-chair
Hawthorne Auto Clinic, Portland



Mark Kellenbeck, co-chair
BrainJoy LLC, Medford