



February 3, 2014

Chair Mitch Greenlick
House Health Care Committee
900 Court St. - State Capitol
Salem, OR 97301

Chair Greenlick, Members of the Committee:

SEIU Local 503, OPEU supports HB 4109, which simply asks for a study of a basic health plan option in Oregon.

SEIU Local 503 represents nearly 20,000 workers who do not have traditional, employment-based insurance. These workers are publicly funded by the state. There are tens of thousands of them, just in the public and quasi-public sector. They are the care provider units of home care, adult foster care and child care workers.

But SEIU also represents many who are employed in the private sector. These workers work in assisted living settings, developmental disability group homes, skilled nursing facilities, hospitals; they work as mental health providers and drug and alcohol counselors. These workers are low-wage, many work less than full time, and these are growing occupations.

SEIU has 17,000 homecare workers. We think about 10,000 will qualify for expanded Medicaid. Another 1,700 are over 65 and hence are on Medicare. 5,300 may be eligible for Oregon's Health Insurance Exchange, but may not be able to afford the co-pays and premium share even with the tax credits.

SEIU is confident that Oregon will have a strong health care exchange, and we have been working diligently to enroll our eligible members. However, we do think we must continually look at affordability issues—especially for those who are just over that Medicaid threshold.

We have encountered various stories of members who have shared their circumstances enrolling in Cover Oregon. One member, earning \$16,000 a year, right over the threshold, was eligible for a great tax credit that makes up 81% of her premium. But she still owes \$83 a month. That will be tough to afford for someone making just above 130% of the federal poverty line.

Another example is someone once again that we thought was Oregon Health Plan eligible but ended up being right above the line and she owes \$135 a month. It is really hard to convince a family that it is in their best

SERVICE EMPLOYEES
INTERNATIONAL UNION
LOCAL 503

PO Box 12159
Salem, OR 97309-1259

1730 Commercial St. SE
Salem, OR 97302

6401 SE Foster Rd.
Portland, OR 97206

1.800.452.2146
www.seiu503.org

interest to purchase health insurance when they are trying to make ends meet.

Also, we are finding that as workers' kids get insurance through Healthy Kids they are significantly less worried about insurance for themselves--which is not good if we are going to change the health paradigm. For workers facing a \$90 penalty a year, it is hard to convince them that they should spend this amount every month when they have a tough time putting food on the table.

If our goal is to truly transform healthcare through prevention, and thus preventive health utilization, then those who have access to health insurance must be able to afford to utilize preventive care and health care services across the workforce spectrum.

That is why SEIU would strongly encourage the Oregon Health Authority to look at the potential benefits and drawbacks of a state operated Basic Health Plan. We need to understand what would be required to provide such a health option for workers that fall into this category, what the health option would look like and how it could prevent under-utilization of critical, preventive health services for workers at these income levels. It would be important to learn what it could mean for continuity of care and what would be required of our delivery system in order to put such a plan together.

HB 4109 merely calls for the study of these complex issues. I commend the House Health Care Committee for examining this issue today and urge your support to further explore a Basic Health Plan option for Oregon.

Sincerely,

Arthur Towers
Political Director