



SB 631

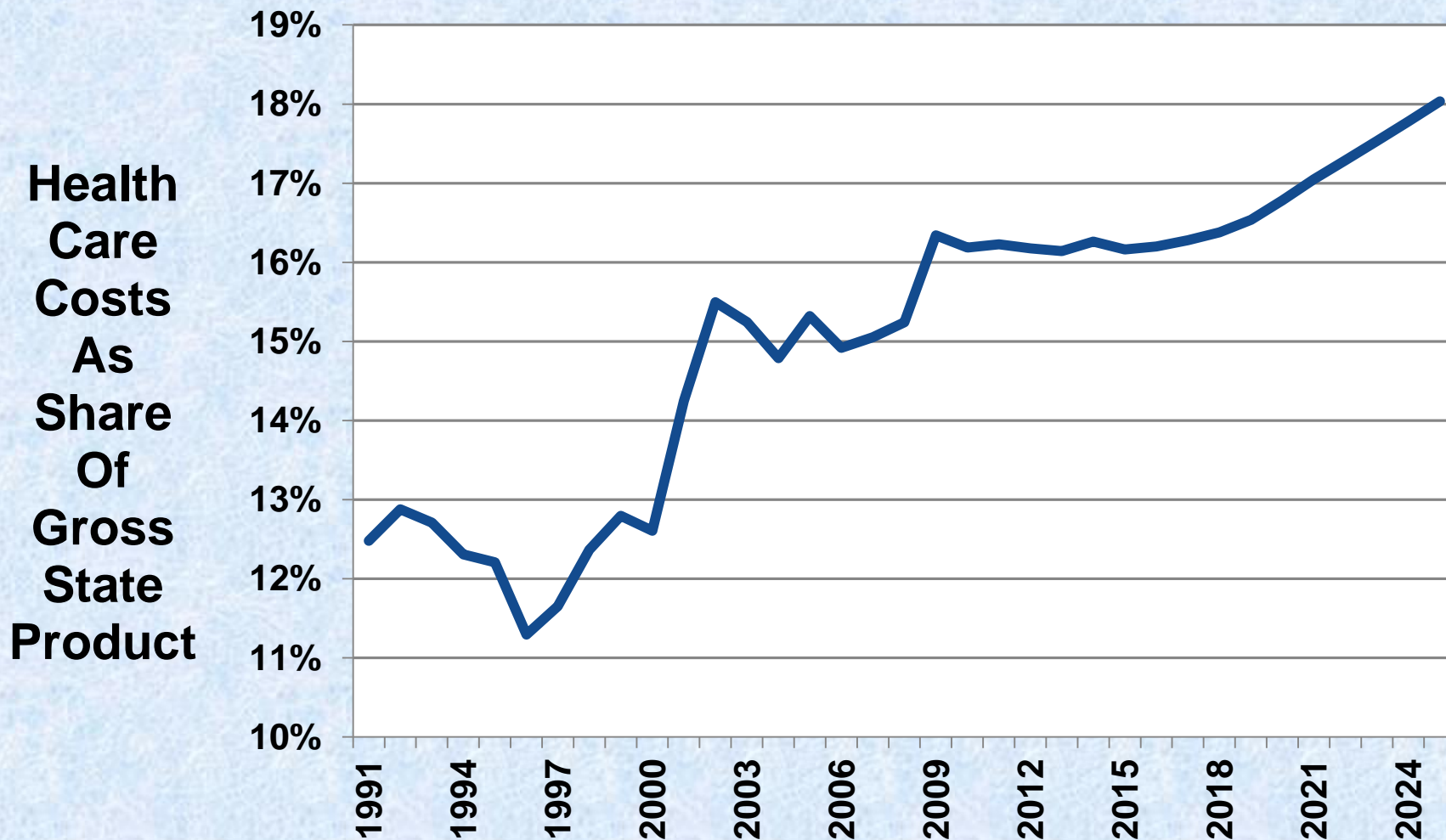
**Universal,
Comprehensive,
Publicly Funded
Health Care**

4/13/15

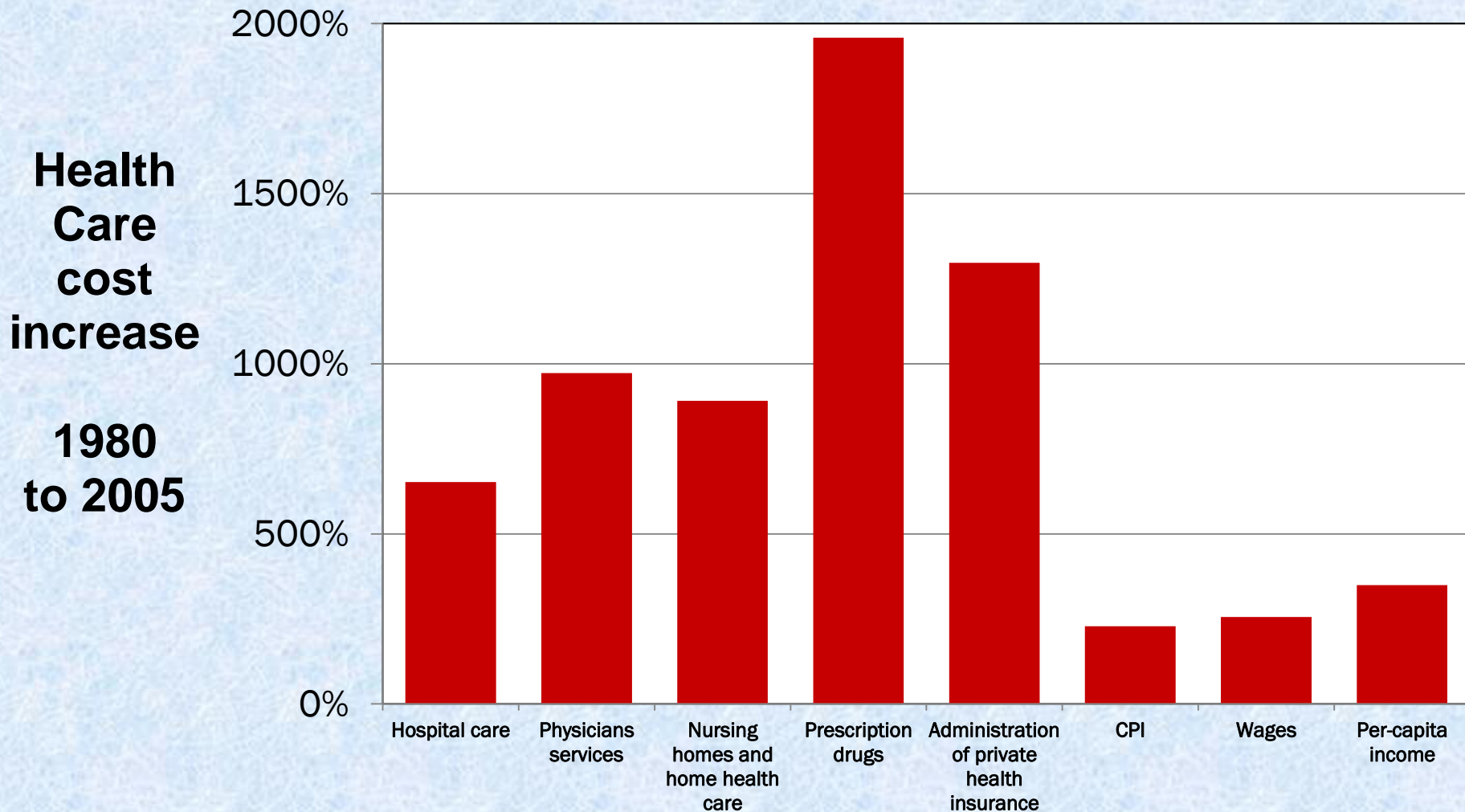
Overview

- What is the problem being addressed by this bill?
- How will this bill help?
- What are the next steps?

Health care costs have been rising rapidly for a long time



Prescription Drug Prices and Administrative Costs Have Risen Most



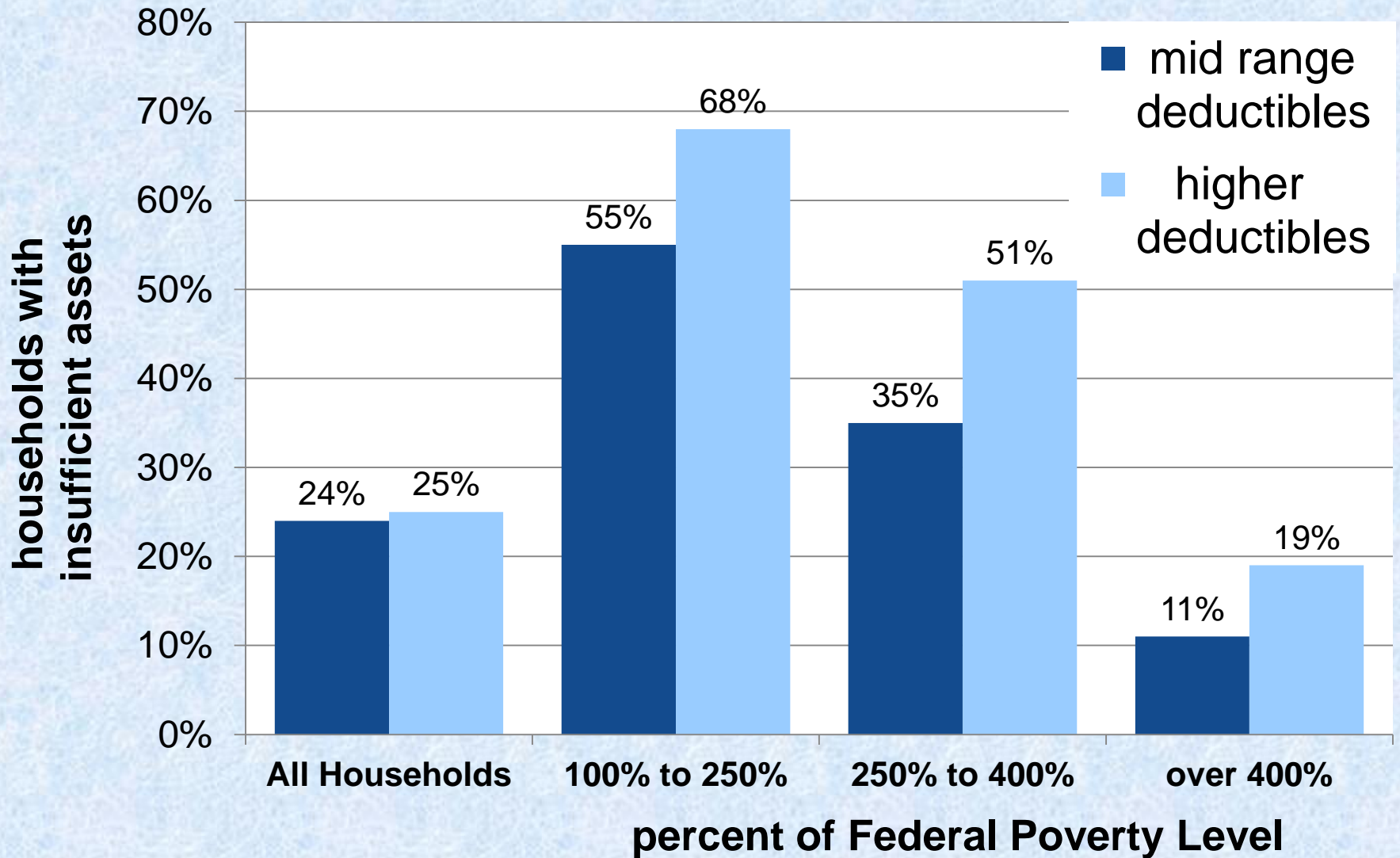
The large increase in health care costs has created hardships, and sometimes disasters, for individuals and families

**Due to lack of
affordable health
care, each year**

600 Oregonians die

8,000 go bankrupt

Households lacking assets to pay deductibles



Decades of rising health care costs have dramatically impacted the public sector

It has created difficulties for public education, state agencies, county and city government

- The % of the state budget going to health care has risen dramatically, out pacing all other costs by a factor of 2.5
- Everything else gets less, services must be cut, college tuition rises

Rapidly rising health care costs have severely impacted business

- Employee wages stagnating, business profitability shrinking
- Insurance coverage declining, deductibles rising, employees paying more
- Capital investment and re-investment in business slowing as profitability shrinks

Oregon Leadership

- Oregon has been a leader in moving towards more universal coverage and in trying to control health care costs for some time
- This act, SB 631, will continue Oregon's leadership
- The Act will need more stakeholder input to define a system ready for implementation

Health Care for All Oregon Act

Purpose –

To ensure access to comprehensive, quality, patient-centered and affordable, publicly funded health care for all Oregonians; to improve population health; and to control the cost of health care for the benefit of individuals, families, business and society

Who is covered?

All persons residing or working in Oregon

- All people are currently covered for acute emergency room care (expensive) – legal, ethical, & moral requirement
- Bill would broaden coverage – could prevent many emergency room visits & better maintain health

Theme of SB 631

Simplify administration

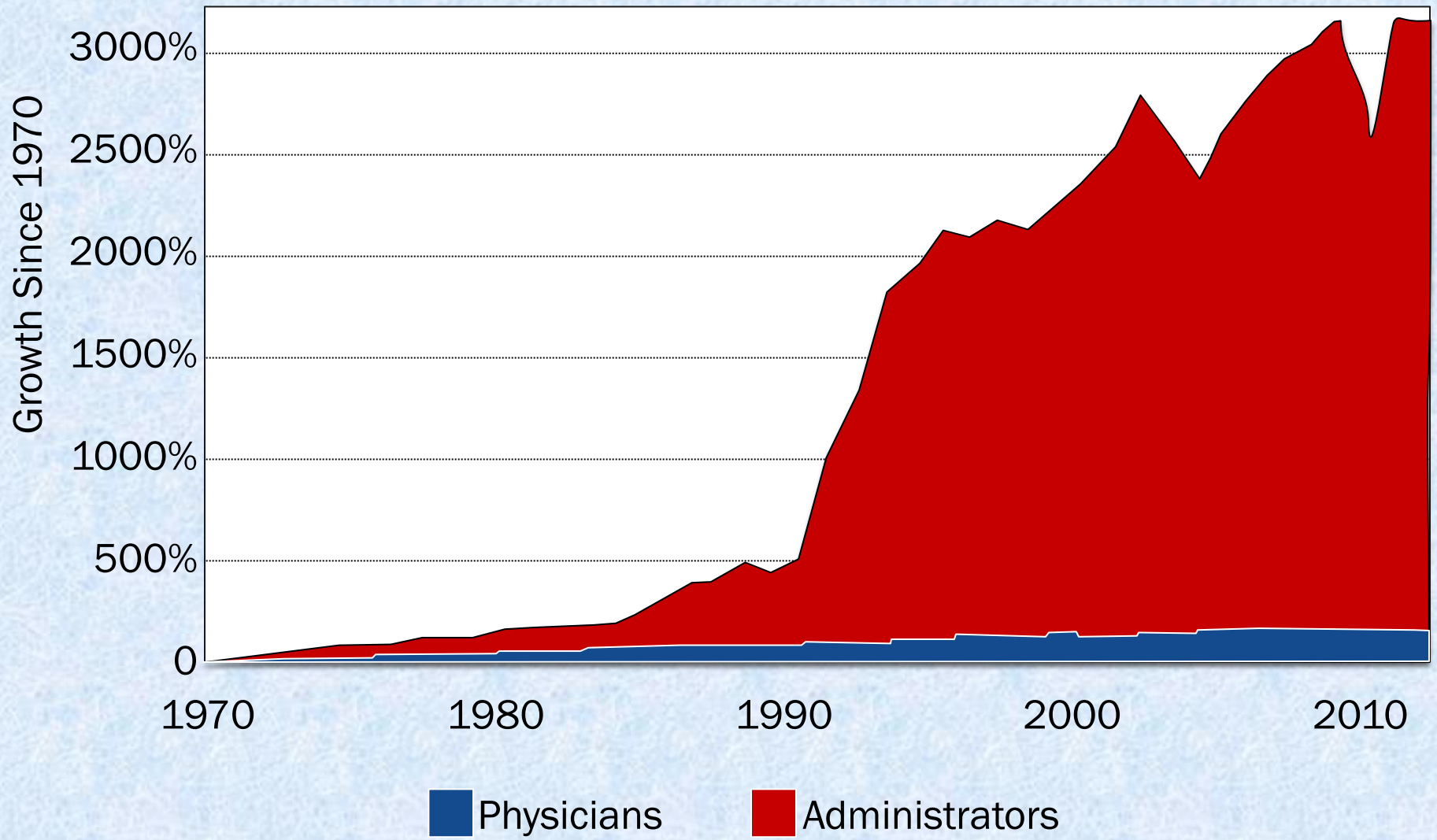
- cover all residents (universal)
- for all medically necessary services (comprehensive)
- single-payer
- same payments for same services
- no copays and deductibles

Theme of SB 631

Flexible payment systems, tailored by provider, to best meet needs of providers and system

- global budgets
- fee for service
- other transparent & fair systems as needed

Why simplify health care billing administration?



Administrative simplicity generally leads to equity

All residents covered equally

All medically necessary services covered

Same payments for same services

- Equity for providers
- Equity for patients
- Now – private insurers, Medicare, Oregon Health Plan, individuals pay differently

Rural/Urban equity

The bill defines Regional Planning Boards

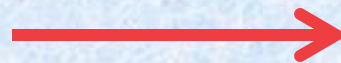
- Attempts to address ongoing tension between sufficient health care services for rural areas and low system costs
- Largely replaces certificates of need system
- Can address other geographically related health care issues

Often increased equity leads to increased efficiency and lower costs, but sometimes increased equity leads to higher costs, and is **still** worth it

**Universal health
care adoption –
year & country**

Country	Start Date of Universal Health Care
Australia	1975
Austria	1967
Bahrain	1957
Belgium	1945
Brunei	1958
Canada	1966
Cyprus	1980
Denmark	1973
Finland	1972
France	1974
Germany	1941
Greece	1983
Hong Kong	1993
Iceland	1990
Ireland	1977
Israel	1995
Italy	1978
Japan	1938
Kuwait	1950
Luxembourg	1973
Netherlands	1966
New Zealand	1938
Norway	1912
Portugal	1979
Singapore	1993
Slovenia	1972
South Korea	1988
Spain	1986
Sweden	1955
Switzerland	1994
United Arab Emirates	1971
United Kingdom	1948

**The
compelling
advantages
of Universal
Health Care
are moving
the U.S. to
join every
other
developed
country in
the world
soon**



**States pursuing single-
payer health care**

***bill in current session**

State
California
Illinois*
Maine
Massachusetts*
Minnesota
Missouri
New Hampshire
New Mexico
New York*
North Carolina
Ohio*
Oregon*
Pennsylvania*
Rhode Island*
South Carolina*
Vermont*
Washington*

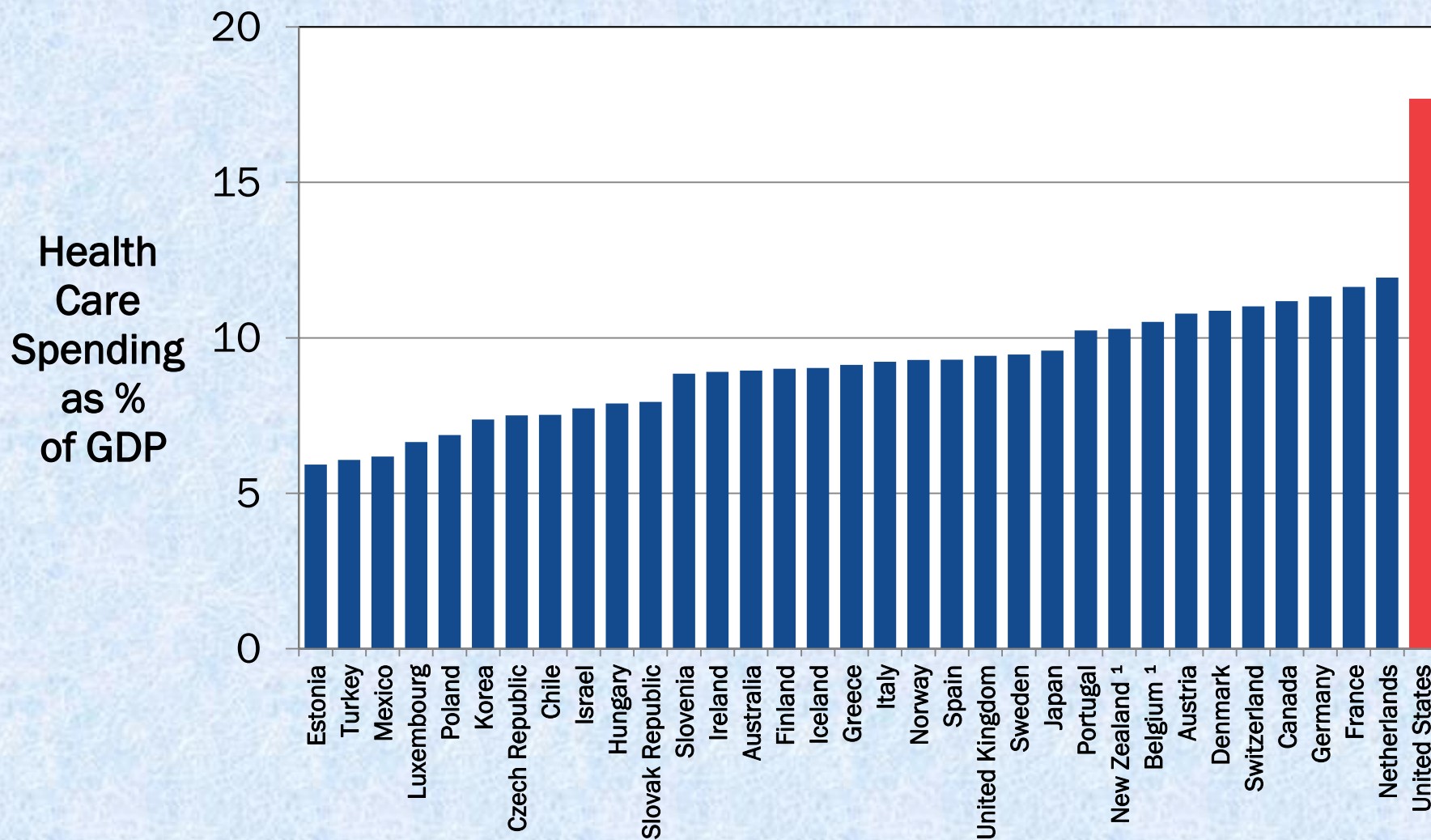
What are the next steps?

This session – fund a comprehensive study of the best way to finance health care to meet the criteria approved in the 2013 session – pass HB 2828 with funding, to guide us in future planning

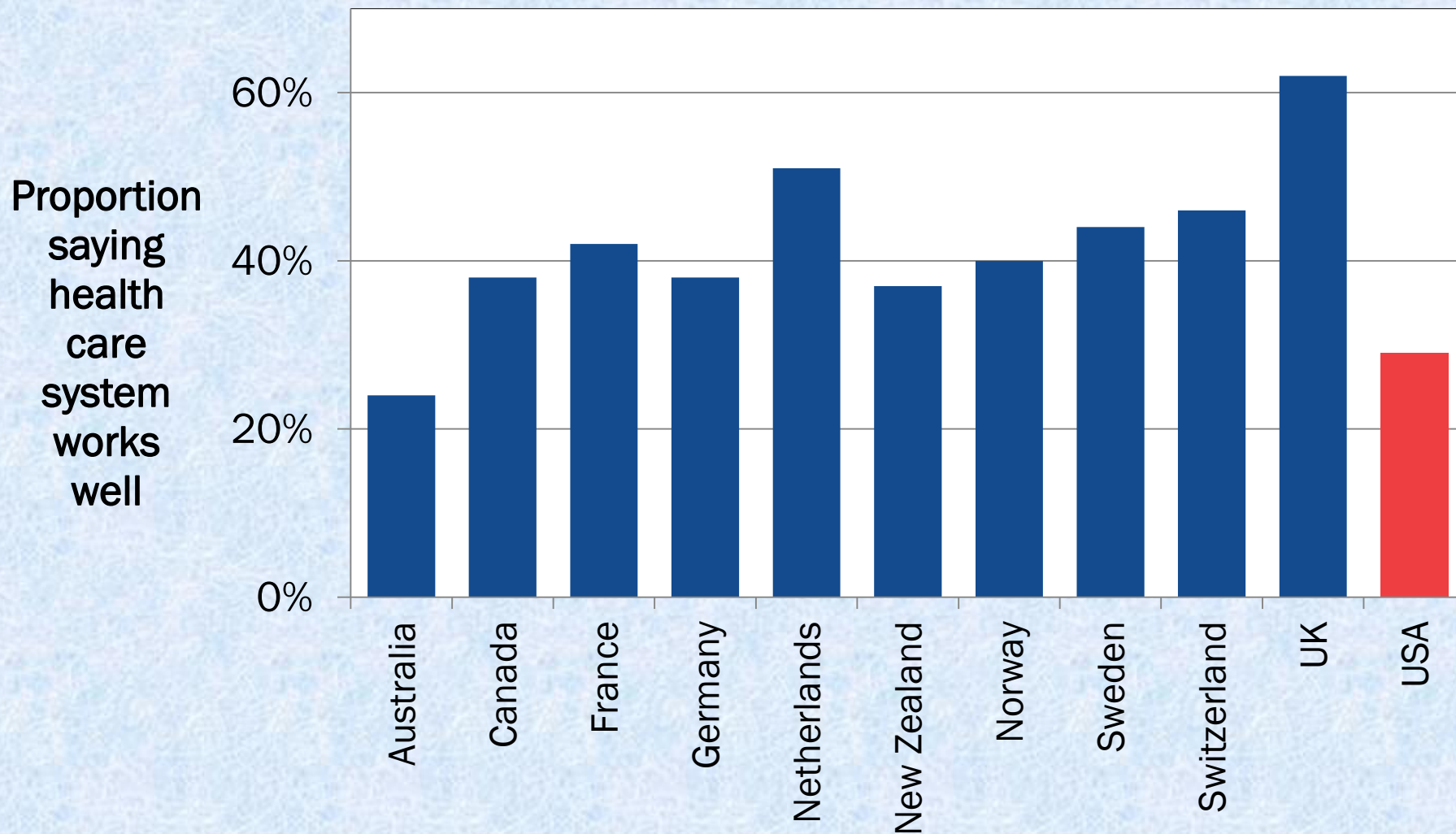
Future – create a system of universal, comprehensive, publically funded health care in Oregon

- Use the results of the study
- Use best ideas from SB 631 and 2011's HB 3650 (CCO's)
- Use information from successful systems worldwide
- Engage stakeholders & experts

Learn from other countries – all spend less



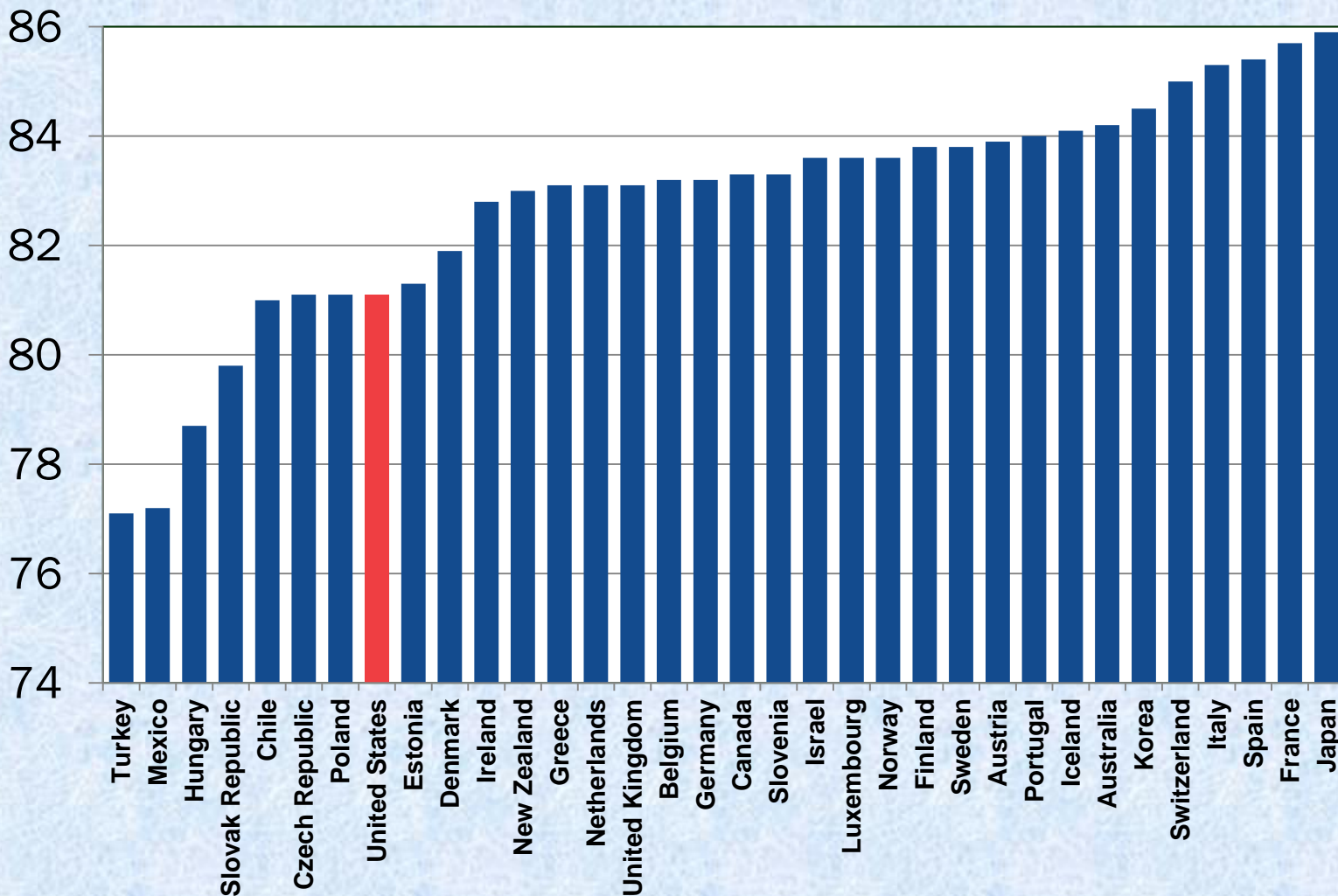
Learn from other countries – most have higher approval



Learn from other countries – most have better results

Female
Life
Expectancy
at Birth

Other
markers of
results are
similar



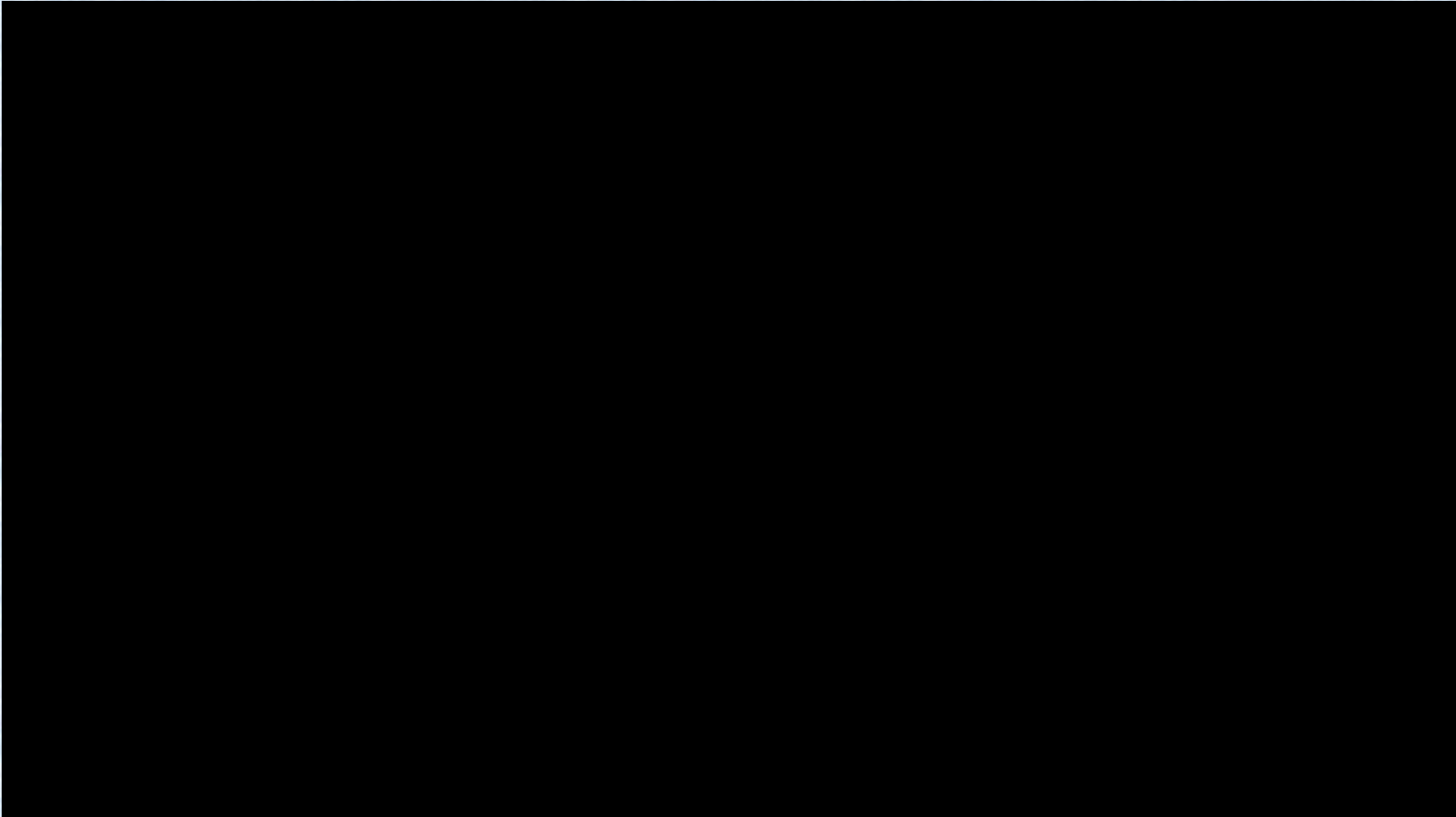
Benefits of a system as described in SB 631

- Sufficient administrative savings to extend comprehensive services to all – greatly improved equity and affordability
- Administrative simplicity will help to detect and reduce fraud
- Expansion of Oregon Prescription Drug Program to all – deals with portion with largest cost increases
- Economic barriers to health care leading to death and bankruptcy will be eliminated
- Increased competitiveness of Oregon businesses will lead to 50,000 new jobs, more than offsetting the job loss due to decreased health care administration*
- Wise choice of payment systems can improve provider incentives

* Estimate of Gerald Friedman, a Massachusetts economist

Financing

- Needs to be determined after study is completed, with input from many stakeholders
- With savings for societal health care costs when the Plan is implemented, most individuals will pay less than they would without the Plan



Summary

Most important to continue improving health care in Oregon – **pass HB 2828 with funding in 2015**

We ask that the state and other stakeholders help with planning steps beyond the study

- Begin negotiations for federal waivers, certifications, and permissions
- Refine the Regional Planning Board concept, or another way towards regional equity
- Once study is completed, design a fair and sufficiently funded tax structure to finance a universal system
- Incremental steps – expand prescription drug program to those with insurance, expand OHP eligibility, others