



OREGON STATE SENATE

May 4, 2015

Testimony before the Senate Health Care Committee
RE: Senate Bill 631

Chair Monnes Anderson, members of the Health Care Committee, thank you for turning your time and attention to the subject of universal health care in general and specifically SB 631.

There are many good things we can say about health care reform in this state, and the members of this committee have many reasons to be proud. From the Healthy Kids Act from 2009 to the ongoing work on CCOs and the state implementation of the Affordable Care Act, the Oregon Legislature has been working hard to help create a health care system that addresses the triple aim of quality, access, and affordability.

Despite these points of progress, though, I and many others are convinced that even under the Affordable Care Act, many long-term problems remain and will remain..

- First, there will still be many people who will be left out, who for their own reasons will decline to be part of the system, but who will eventually need care--and that's going to continue to drive up the cost of coverage for the rest of us.
- Second, for most people insurance is still going to be tied to employment, and it's distorting how employment is configured in this state. We will continue to have jobs kept temporary or part-time for no good reason other than to keep workers from being eligible for coverage.
- And third, for the most part our system will still rely on private insurance companies, who will continue to charge administrative fees that are unnecessarily high, create administrative burdens for doctors and other health care professionals, and whose primary obligation is to their stockholders, not to the public at large.

At best, what we're going to continue to have is an expensive, complicated, patchwork system. There's a real danger that people are going to fall through the cracks, middle-class families are going to pay more, small businesses are going to continue to be hammered, and the State will need to pick up more of the costs at the expense of education and other crucial services.

Fortunately, there is a very simple solution out there, a model of publicly funded and privately delivered care that has existed legally and to great effect for the last fifty years in this country.

That's Medicare. Medicare gives us very low administrative fees, individual choice, a high level of care for our most vulnerable and expensive population, and universal access. What we need to do is take Medicare, improve it where it needs to be improved, and extend it to the entire population. This is the way that health care is provided in virtually every other industrial nation, including our neighbor to the north, Canada, where it was adopted province by province before being extended to the entire nation.

That in a nutshell is the intention behind SB 631, The Affordable Health Care for All Oregon Act. When adopted, it will move Oregon to a comprehensive health care system with universal access, in which the cost of health care is spread across the entire population of the state and thereby made affordable. It will disconnect coverage from employment. It will drive down the overhead costs of Oregon businesses and will attract new businesses to Oregon. It will drive down the personnel costs of government, allowing us to shift resources to providing the services that Oregonians need.

We are very excited to be bringing SB 631 to the Legislature and to the people of Oregon. One of the real problems with the Federal reform process in 2009 and 2010 was that advocates of single payer were never allowed a seat at the table, despite the fact that Medicare is a viable model and many countries around the world have some form of single payer that is working very effectively. For reasons of politics and influence and strategy it was ruled out before it was even considered. That's wrong, it's bad government, and we need to try to make it right.

Fortunately, the federal health insurance reform did open the door to further experimentation by the states. Thanks in large part to work done by Senator Wyden, starting in 2017, states will have a path to try out their own solutions, as long as they are expanding access to quality healthcare to more people more affordably.

We believe that the Affordable Health Care Act for All Oregon will do that. A wide range of physicians, care providers, health care advocates, and other Oregonians have come together to help craft and support this bill. You will hear today from a few of them.

Obviously, getting to Health Care for All Oregon is a long-term project. We are under no illusions that it will be easy or quick. I myself believe that it will require a vote of the people. Advocates will need to convince a million voters that Medicare for All is right for Oregon. We'll need to make sure that the underlying policy and the mechanics of implementation are right for Oregon. We'll need to look at the research being done in other states, states like Vermont, New Hampshire, and California, and see what can be applied to Oregon.

Initial modeling shows that we could take the amount of money that is being spent in Oregon in the form of tax credits, premiums, deductibles, co-pays, other out-of-pocket payments and obligations, use it to fund a system in which the people of this state become one large self-insured pool, and everyone could be covered for that amount of money. But clearly the devil will be in the details of administration, oversight, delivery, and funding.

That's why we need to fund HB 2828, the health care funding study bill, which will help us figure out the best way to find and fund the best path for getting to universal health care.

And that's why we need today's hearing, so that you can hear the details, hear the arguments, ask the necessary questions to help us get this right.

I want to thank you, Chair Monnes Anderson, for scheduling this hearing and for allowing us to pursue this subject that is so crucial for the future of this state.