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TO: Chair Monnes Anderson
Vice Chair Kruse
Members of the Senate Committee on Healthcare

FR: Jessica Giannettino, Oregon AFL-CIO

RE: Support for SB 997

March 30, 2017

The Oregon AFL-CIO represents 300,000 working Oregonians and is a voice for all workers in the legislative process. We are in support of SB 997. Most Oregon workers receive healthcare benefits from their employers and federal law sets a standard for what an affordable, employment-based healthcare plan must look like. Unfortunately, employers can avoid penalties by reducing wages, hours worked or both so that workers are no longer full-time, full-year employees under federal law. When employers have low wage workers on medical assistance programs rather than an employer-based plan, costs are shifted onto the state and taxpayers. In a budget environment where there already aren't enough resources to fund critical services, we as a state, can't afford to be picking up this tab. It's estimated that SB 997 would generate \$60 million in new revenue over the biennium.

SB 997 ensures that the state isn't bearing the financial burden of providing medical assistance programs for workers that are receiving benefits because their employer has taken steps to avoid providing accessible healthcare as required under federal law.

What does SB 997 do?

- Raises an estimated \$60 million in new revenue over the biennium to fund critical OHA services
- Defines large employers of 50 or more employees
- Exempts public employers
- Requires various agencies coordinate on determining employers with workers on medical assistance programs
- Creates a simple formula for determining penalty for large employers with workers on medical assistance program