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April 17, 2017

Senate Committee on Health Care  
House Committee on Health Care  
Oregon Legislative Assembly

Dear Chair Monnes Anderson and Chair Greenlick,

In 2015 the Oregon Legislative Assembly passed House Bill 2828, which required the Oregon Health Authority to commission an independent study of different financing models for health care. In response to the requirements in HB 2828, OHA has enclosed a report authored by the RAND Corporation and Health Management Associates.

The enclosed report describes in detail three different health care financing and delivery models:

- Single Payer model, which would replace commercial insurance and would leverage new income and payroll taxes to provide privately delivered health care for all Oregon residents.
- Health Care Ingenuity Plan, which would leverage competing private insurers to deliver care and would be financed through a new sales tax.
- Marketplace Alternative Plan, which would create a public option to compete alongside health plans offered on Oregon's marketplace.

The authors compare each model to Oregon's current health care system and thoroughly assess each model's impacts on individuals and businesses, impacts on existing commercial insurance markets and publicly funded insurance, overall costs and savings, and more. For example, the results show that both the Single Payer model and Health Care Ingenuity Plan expand coverage to 100 percent of Oregon residents, including undocumented individuals. Compared to the status quo, the Marketplace Alternative Plan would increase the percentage of insured Oregonians from 95 percent to 96 percent.

The authors also find that, given the assumptions used in the modeling, per-person costs for the Single Payer model (\$6,540) and Marketplace Alternative Plan (\$6,420) would be slightly less than the status quo (\$6,610), while per-person costs for the Health Care Ingenuity Plan (\$7,100) would be slightly higher.

The Oregon Health Authority continually strives to help people and communities achieve optimum physical, mental and social well-being through partnerships, prevention, and access to high-quality, affordable health care. The enclosed report provides valuable analyses for legislators and policy makers to continue to build on the progress our state has achieved.

Sincerely,

*Lynne Saxton*

Lynne Saxton  
Director