

Testimony from Max Jones for the November 18, 2020 Meeting of the Joint Task Force on Universal Health Care

I retired from the Willamette Valley to the South Oregon Coast, where I've found a shortage of health care facilities and providers. Since I've been on Medicare I've found that it falls short as an effective health care system. I am hopeful for your efforts to design a system that works well for everyone.

I don't know the intricacies of managing government programs, and I appreciate the expertise represented on the Task Force. As an observer of efforts at health care reform, I would like to offer my views on the conceptual steps needed to achieving the goals of the Task Force.

It is essential that the Task Force not be pressured into "justifying" the cost of an effective health care system by comparing it to the nominal cost of current system. On top of the cost of actual health care, we pay the costs (direct and indirect) of the private insurance industry, lawsuits and malpractice insurance, tax breaks for employer-provided insurance, loss of productivity due to avoidable illness of workers or their dependents, and on and on. These are all costs to Oregon's economy, even if opponents to reform try to ignore them.

We need no justification to create a cost-effective health care system that serves all Oregonians. This proposal suggests four steps to reforming health care in Oregon, with the goal of providing the best health outcomes at the lowest tax rate.

1. The first step in health care reform is eliminating financial waste such as private insurance, tax breaks, and malpractice lawsuits. Other forms of waste such as lost productivity will be reduced by better health once we have an effective health care system.
2. We currently provide "universal" health care in an expensive and ineffective way. Co-pays and deductibles discourage regular primary care, which is the most cost-effective form of health care. Our most vulnerable citizens must wait until a crisis sends them to the emergency room, which is the least cost-effective form of health care. The second step in health care reform is guaranteeing universal access to comprehensive cost-effective health care, especially primary care.
3. We are all affected by the health of our community. Communicable diseases are a danger to every individual, and a healthy workforce is essential for the whole economy at every level. The third step in health care reform is defining the broadest possible tax base, including both individuals and organizations, to pay for our universal health care. Maximizing the tax base minimizes the tax rate. To make the tax progressive we can set a single threshold, say at the 20th percentile of gross income or gross revenue. Individuals eligible for health care support, such as Medicare, VA, and IHS, can receive tax credits.
4. Once we have reduced financial waste, identified cost-effective methods, and defined a broad tax base, we can calculate the necessary tax rate. But we shouldn't fix the tax rate. For on-going improvement in care and efficiency we should collect clinical data and practice evidence-based medicine. These decisions must be made by health care professionals. Improving our methods may change our costs, which may change our tax rate, but our priority should be improving productivity by achieving the best health outcomes.

Thank you for your efforts to bring rational, humane, cost-effective health care to Oregon!

Max Jones
PO Box 96, Bandon, Oregon 97411