

Editorial: New taxes planned for Oregon with single payer insurance

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Out of the spotlight, a task force is crafting a plan to make Oregon the first state with a single-payer health care system.

Remember, Oregon Democrats control the state Legislature and the governor's office. So, at least for now, yes this is coming. And the plan is for new taxes to pay for it.

New payroll tax. New personal income tax. And maybe a new sales tax.

Single payer is what some people call in shorthand: Medicare for all. A single government agency takes responsibility for financing health care for all. Everybody would be on the same insurance plan and have access to the same services.

It could help fix some problems by making health care accessible to more people and more equitable. There might be better cost control and lower administrative costs. More health care dollars could also be targeted toward preventive medicine.

Tradeoffs? There would be tradeoffs. In other countries with such systems, there can be long wait times. Some procedures that people may feel are necessary may not be covered. And, of course, wealthier people will still find ways to get access to care that others cannot.

Would Oregonians be happier and healthier under single payer? Would quality of care improve? Would it be easier to fight a pandemic? We hope the answers are yes, yes and yes.

Among the challenges with creating such a system are paying for it, uncoupling health insurance from employment and getting people to support it. The Legislature just granted the task force another year to come up with its plan. The task force meets again this week.

We're going to focus on the tax proposals under consideration.

The task force's interim report to the Legislature said it could mean additional taxes. In fact the report says: "The Task Force recommended funding the Plan with a combination of a new payroll tax, an increase in the personal income tax, and the creation of a sales tax. ...

"Payroll tax will apply a flat rate on wages up to the Federal Insurance Contributions Act (FICA) limit (currently about \$138,000, subject to annual increase), and higher rates on income over the FICA limit." The exact rate is not specified. That tax would be assessed on employers, though it may have an impact on employees, of course.

The report doesn't give a hint of how much payroll taxes may go up. It does suggest the increase would apply to households to a threshold income of 300% of the federal poverty level. That's about \$79,000 a year for a family of four. There may be a new, higher tax bracket set for higher income earners.

And the report says, if there is a determination that more revenue is needed there would be a sales tax on all goods and services except "essential" things such as groceries and utilities. The state would also establish a refundable sales tax credit to ease the burden on low-income families.

Most of us have more immediate worries than how this single-payer plan would work. But your government is hatching it right now.

Task force members say they are worried that they hear from some organizations that track their work. They say they aren't hearing from the general public. So the plan to fundamentally redesign how health care works in Oregon is being designed without input from the general public. What is the task force going to do to change that?