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Guest column: State committee is creating a single-payer health system for Oregon

BY CHUCK SHEKETOFF

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Bulletin file photo

Editor's Note

Do you have a point you'd like to make or an issue you feel strongly about? Submit a letter to the editor or a guest column.

I am one of 13 gubernatorial appointees and voting members of the Joint Task Force on Universal Health Care created by the 2019 Legislature. We thank you for your recent editorial drawing attention to our important work.

In June, we released a status report presenting our current thinking on the design of a universal health care system. Our proposal is a work in progress, not final.

Our plan will not be “Medicare for all.” Medicare requires premiums, co-pays and private insurance companies for supplemental or advantage plans. In contrast, we propose a single -payer plan. A new public corporation would be created to bear the financial risk that insurance companies and self-insured businesses carry today.

Your editorial correctly stated that our plan could “help fix some problems by making health care accessible to more people and more equitable.” And you were correct in noting there’s ample room for cost control and lower administrative costs.

A new health care system will indeed make Oregonians “happier and healthier” by improving quality of care, as you noted.

A major challenge is improving how we access health care, especially “uncoupling health insurance from employment.” And, as you imply, our plan will ultimately need support from the public, our businesses and the Legislature.

In Oregon today about half of private insurance is purchased through employers. The Legislature rightly considers the cost of employer-provided health insurance as both tax-free income to employees and a deductible expense for the employer. That deduction, not available to Oregonians buying individual policies, coupled with the tax break for employees, reinforces our dependence on employer-provided insurance. We want to equalize access to health care with a different method of payment: progressive fees and taxes providing health care access to everyone regardless of employer.

Our task force is confident that the new payroll fee to fund health care will be less than the cost of employer-provided insurance. We expect Oregon families will welcome a plan that is not tied to their employer; that eliminates premiums, co-pays and deductibles; and that ends battles with insurance companies to approve a provider or benefit.

Employer-provided insurance hurts Oregon's economy. The employees receive lower pay and the impact on pay is regressive: employer-provided insurance premiums take a bigger share of income from lower -paid employees than from higher -paid employees.

Our approach, which is still evolving, favors a moderately progressive payroll-based fee, meaning less impact on employees receiving lower pay. Like the insurance premiums that employers currently pay, a payroll health care fee would be a tax-deductible business expense. However, because a payroll health care fee will be less than the insurance premiums most employers pay today, our plan will improve profitability, pay and benefits to workers, or both.

Today, all families and individuals pay at least something for health care, even those Oregonians with limited income who seek alternative care not provided by the Oregon Health Plan. Under our plan, funded by progressive taxes, Oregon families (including your readers) won't have premiums, copays or deductibles. Our task force is committed to ensuring that any new taxes will be less than what Oregonians currently pay for insurance, co-pays, deductibles and noncovered services.

Consistent with our legislative charge, we created a consumer advisory committee with representatives from a wide array of Oregon communities and interests. We encourage public testimony at our open meetings. We listen to all contributions and have included them in our planning. With bipartisan support, the 2021 Legislature extended our timeline to present a plan. This renewal of our charge provides funds for even more rigorous engagement with the people, organizations and businesses that our task force needs to honor.

We welcome the public attention your editorial created. We hope your readers will consider contributing their ideas to our critical work. Vibrant public participation will help create a health care system that is universal and that answers the needs of all Oregon families and businesses.

Chuck Sheketoff submitted this piece on behalf of the voting members of the Task Force on Universal Health Care. Readers can get involved and follow the task force's work at bit.ly/JTFUHC21.