

Universal
Health
Care in
Oregon



**Joint Task Force on
Universal Health Care**

Task Force on Universal Health Care

Senate Bill 770 (2019) created a 20-member Joint Task Force on Universal Health Care

Four legislators (bipartisan); 13 Governor-appointed members; two executive branch appointments; one local government appointee

Staffed by executive and legislative branches (Oregon Health Authority & Legislative Policy and Research Office)

Task Force Milestones

August 2020 – May 2022

Task Force:

- 25 meetings, approx. 80 hours
- Remarkable commitment among Task Force members

Advisory and work groups:

- Three Technical Advisory Groups (TAGs) – 28 meetings total
- Consumer Advisory Committee: 9 meetings
- Intermediate Strategies Work Group: 5 meetings
- Expenditure & Revenue Analysis Work Group: 11 meetings
- Public Engagement Work Group – ongoing

Report and recommendations are due **September 2022**



Senate Bill 770 (2019) charge: Design a Health Plan for All Oregon

“A universal health care system that is equitable, affordable and comprehensive; provides high quality health care; and is publicly funded and available to every individual residing in Oregon...”

SB 770 requirements:

- Equitable and uniform coverage for all residents
- Coverage is uncoupled from employment status
- Single-payer health care financing system

Design Decisions for a Universal Health Plan

Enrollee
affordability and
cost-sharing

Level of benefits

Provider
reimbursement

Role of
insurance
companies

Fair and
equitable
financing

Governance

Federal waivers,
ERISA, Medicare

Sustainability
and affordability
for state

Preliminary
Proposal
(May 2022)



**Joint Task Force on
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Preliminary Proposal*

Eligibility and Enrollment

- Everyone in Oregon is eligible for the plan through a simple and easy enrollment process
- Out-of-state residents who work for Oregon-based employers, and their dependents, are eligible for the plan
- Medicare-eligible Oregonians will be covered to the extent permitted by federal law
- Plan will provide equitable care to all Oregon residents regardless of their current eligibility for health insurance

Preliminary Proposal*

Covered Benefits

- Benefits will be comparable to the Oregon PEBB benefits package (Public Employees Benefit Board)
 - Robust benefits for primary and preventive care, specialty care, and prescription and hospital services
- Offer PEBB-like coverage of oral health
- No cost sharing—deductible, co-pay, or co-insurance
- Additional benefit/investment in behavioral health benefit TBD
- Long-Term Care will continue to be paid for by Medicaid and private plans offered by commercial insurers

*Draft Preliminary Task Force Proposal May 2022

Preliminary Proposal*

Health Care Professionals

- The Universal Health Plan will prioritize recruitment of a diverse and representative workforce with sufficient geographic and cultural distribution of providers
- Any licensed or authorized practitioner in Oregon who provides health care services that are covered by the Universal Health Plan is a “participating provider”
- Participating providers in the Universal Health Plan will not be allowed to give preferential treatment to private-pay patients, or to charge more for their care

Preliminary Proposal*

Provider Reimbursement

- Single state entity will reimburse providers directly
- Methods and rates of reimbursement will be regionally based
- Capitated models and other alternative payment methodologies may be used to improve outcomes and value over time
- Plan is designed so that administrative savings—when health systems no longer interface with multiple payers— will be reinvested in behavioral health, rural networks, primary care, and to provide needed access to care

Preliminary Proposal*

Private Insurance

- Private insurance will have a limited role in the new system
- Insurers will be able to offer complementary insurance for benefits not offered by the Universal Health Plan (e.g., certain prescription drugs, services with coverage limits, LTC)
- Insurance companies will be prohibited in offering substitutive and supplementary insurance—to the extent permitted by law
- The Universal Health Plan may contract with third parties, including private carriers, for benefit administration

Preliminary Proposal*

Governance

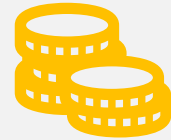
- The Universal Health Plan will be administered by a state single payer entity and governed by a public board
- Board members with health care expertise will be appointed by the Governor and confirmed by the Legislative Assembly
- Regional entities, will advise the Universal Health Plan to respond to unique needs of diverse communities across Oregon

Expenditure & Revenue Analysis

(Nov 21-May 22)



Actuarial Model
CBIZ Optumas



Revenue Estimates
Legislative Revenue Office



ERISA & Financial Analysis
Professors Fuse Brown &
McCuskey, Dr. Hsiao, Dr. Liu

Expenditure and Revenue Analysis*

Program Funding

- Enrollees will not pay copays, deductibles, or any other cost sharing at point of service
- Existing state and federal health care revenue will be pooled into a state trust dedicated to health care
 - Will require federal waivers from Medicare, Medicaid and Marketplace
- Additional revenue needs will be generated by a combination of payroll tax on employers and household contributions

Expenditure & Revenue Analysis*

Employers & Employees

- All employers will pay a payroll tax to help fund the cost of health care for all Oregon residents
 - Rates will be a percentage of the wages that employers pay to employees, and will be progressive
- Employers no longer need to provide health benefits, though they will have the option to continue to offer self-funded (“ERISA”) plans
- All employees will be eligible for the Universal Health Plan regardless of whether their employer offers an ERISA plan

Expenditure & Revenue Analysis*

Household Contribution

- Instead of paying for health care at the point of service, households with income above 200% of the Federal Poverty Level (FPL) will contribute through the state revenue system
- Contribution rate will be a percentage of total household income above 200% FPL and will increase progressively

Expenditure and Revenue Analysis

PRELIMINARY Estimates of Program Funding (Implementation Year - 2026)

	Total Cost (2026 \$)*
Current System	\$58.12 (Billion)
Universal Health Plan	\$57.13 (Billion)
Projected Savings (Year 1)	\$990 (Million)

*Estimates produced by Optumas for model year 2026.

Key Cost Drivers – Actuarial Model

Single Payer Assumption	Change from Current System
Increased Use (No Cost Sharing)	↑
Upgrade to PEBB Benefits	↑
Covering the Uninsured	↑
Improved Purchasing Power	↓
Administrative Savings	↓
Decreased Fraud, Waste, and Abuse	↓
Removal of Insurer Profits	↓
Aggregate Savings	\$0.99 Billion*

*Estimates produced by Optumas for model year 2026.

Public
Engagement

Phase One:
Roundtables

Phase Two:
Community &
Specialty Forums



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**Phase One:
Roundtables**

February 2022

Spanish-speaking individuals

African Americans

American Indian/Alaskan Native

Pacific Islanders

Individuals with a disability

Individuals with behavioral health needs

Rural Oregonians

Phase One: Roundtable Findings & Design Considerations

Affordability

- **Community Input:**
Ensure people pay based on what they can afford
- **Design Consideration**
Progressive or means-tested contributions for high-income enrollees

Revenue Structure

- **Community Input:** Tax is not progressive if it applies to everyone
- **Design Consideration**
 - Structure taxes to minimize burden on low-income
 - No sales tax

System Costs

- **Community Input:**
Avoid increasing taxes
- **Design Consideration**
Examine cost drivers to reduce overall cost

Phase Two: Community Listening Sessions

The Task Force invites the public to listen, learn, and provide feedback:

Coastal Region | Saturday, June 11th - 10:30 am to 12:30 pm -
Zoom link: shorturl.at/tyPZ3

Central Region | Tuesday, June 14 - 5:30 pm to 7:30 pm -
Zoom link: shorturl.at/fmAWX

Eastern Region | Wednesday, June 15- 5:30 pm to 7:30 pm -
Zoom link: shorturl.at/bixCQ

Southern Region | Saturday, June 18 - 10:30 am to 12:30 pm -
Zoom link: shorturl.at/pvxRX

Portland Metro | Tuesday, June 21 - 5:30 pm to 7:30 pm -
Zoom link: shorturl.at/uDGQ4

Willamette Valley | Saturday, June 25 - 10:30 am to 12:30 pm
Zoom link: shorturl.at/rGJZ2

Phase Two Specialty Forums

In **July**, the Task Force will host six professionally-facilitated forums for the health care and business communities

Health Care Community

- Providers
- Payers
- Hospitals

Business Community

- Large employers
- Small employers
- Unions

Universal Health Care in Oregon (SB 770)



- Task Force [webpage](#) (2021-2022 Interim) June 2021 Interim Status Report ([link](#))
- Subscribe to receive updates ([link](#))
- To submit written public comment, email: jtfuhc.exhibits@oregonlegislature.gov