Questions to the Joint Task Force on Universal Health Care:

1. **Setting the household contribution level**: If I understand the Task Force proposal correctly, the contribution that is being proposed would be a percentage of household income, and that this contribution would be in addition to the state income tax rates and payments that are already in place. Is that correct? If so I strongly urge that the Task Force recommend a rate scale that includes additional payment tiers beyond what is shown in the slides prepared for the Task Force by LRO dated 5/13/2022. A marginal jump in rates at 400% of Q_FPL from 3.5% to 9.3% or 15% would create quite a severe cliff effect. Especially for those who are barely above the 400% threshold, there would be a real incentive to reduce income to avoid that increase, and real antagonism towards the program from those who are unable to reduce their income to below that trigger level.

The impact of this additional contribution would be severe even for those with incomes at 600% of Q_FPL. A payment to the state of 9% or 15% by a household at 400% or 600% of Q_FPL will have much greater impact on that household than it will on a household with 1000% or greater of Q_FPL. The tax rates for households at those lower levels should be increased more gradually to reflect that differing impact. Another way to look at it is that if a household at the 600% level is employed and currently covered by an employer-provided plan, it is unlikely that their incomes will increase; even though their employers will no longer be paying premiums, that savings will be offset by the proposed payroll tax and none is likely to go to the employee. So the effect of the new UHC program would be to tell households in that range that their "free" employer-provided healthcare coverage is being taken away from them, and they are now required to purchase an expensive healthcare policy on their own, without any increase in income to cover that new-to-them cost. While they would be receiving the benefit of more efficient coverage, for many households that is not likely to be a politically popular choice.

2. **Medicare waiver**: (a) I understand the approach of assuming that the required federal waivers will be granted. Does your scenario also assume that people enrolled in Medicare would also no longer have to pay any Medicare Premiums? I am retired and pay premiums for Medicare and for supplemental senior advantage coverage. Paying the UHC contribution plus Medicare premiums does not seem equitable, when other non-Medicare households would receive the same coverage without the need to pay additional premiums.

(b) What is the proposal for those covered by Medicare if the federal government does not grant the necessary waivers? Would the UHC contribution for those covered by Medicare be adjusted downward to reflect their ongoing premium payments?

Comments: I strongly support a transition to a single payer plan as envisioned by the Task Force. And I understand the need for Oregon taxpayers to cover the costs of such a program, and for limiting or eliminating cost burdens on lower-income households. But to achieve and maintain political viability for the program, adjustments to the proposed contribution rates need to be considered. The proposed rates are described by the Task Force as progressive, but many households that have incomes that allow them to be comfortable do not consider themselves to be high income or wealthy; they are likely to view the steep ramp-up in rates currently being proposed as penalties rather than as contributions.

Kevin Hanway
Beaverton OR