

Hi

I am writing about the info I have seen on the possibility of universal healthcare in OR. It sounds great at a glance, but the incentives it will create would overwhelm any positives and do so severe damage to an already questionable healthcare system.

For starters, adding a huge new tax to high wage earners will cause an exodus of high wage earners. 15/25 of the top paying jobs in the US are in healthcare. There is already a shortage of healthcare providers and as a group, the percentage experiencing burnout is around 50%. I'm reading that the new marginal tax will be 10-15% for a good chunk of earnings. Yes, many will come out ahead, but the people who come out behind are not expendable. A LOT of physician and dentist households will fall into this. That will create an incentive to leave OR. All of the physicians I have spoken to feel this new tax is over the top. Keep in mind that 70% of physicians are employed and hence their jobs are portable. 5% worth of new local taxes have recently been phased in.

What happens when the providers you are counting on to deliver free services evacuate the state? What happens when you expand access and invite people with preexisting conditions to preferentially seek residence in Oregon? There will be even worse access to care. Expanding volume of services will drive up total costs and hence require more taxation. The provider shortage will lead to service failures and wage inflation. The step up in tax will also discourage overworking since these folks will be hitting a marginal tax rate in the 65% range. Part of the physician ecosystem depends on overworking. Take away the incentive and physicians will work fewer hours. That will create a shortage. Physicians who have a choice will seek states other than Oregon. Who doesn't have a choice? That will be the kind of physician you'll concentrate in Oregon. It won't be the ones you want. Self employed physicians also deal with overhead and paying the employer's side of taxes as well. The expense margin will be intolerable to most.

If you could freeze in place the current healthcare system, some of the benefits would be there for a number of Oregonians. BUT, it exists within a dynamic marketplace. All the incentives I can see with this plan will undermine its intentions and go far beyond that. If it is good and it is free, it will be overused. That will drive up costs and wait times. If the people providing the service are also subsidizing it with their wages, there will be greener grass outside of Oregon and they will leave. That will drive supply side shortages of critical services and wage inflation for the top earners.

The top earners are the ones operating on your brain. Contrary to conventional wisdom, the Neurosurgeon did not win the lottery or inherit their high wages. They are the survivors of a brutal selection system from age 13-33. They did at least 4 years of college, 4 years of medical school and 7-9 years of training. Their cost of education while earning \$zero for 8-10 years is about \$600K. Add to that the \$400K (minimum) that they didn't earn while in school. Then add in 7-9 years of relentless residency training at low wage, spending thousands of nights, weekends and holidays in a hospital doing critical work. So there you have a person who starts \$1M behind, 16 years late and does necessary work that nobody else can do, and does it for long hours. These people are limited and precious resources who gave up their youth along the way. Additionally, this fictional surgeon also pays 10x the federal and state tax that an average wage earner does for the same utility, and they probably use it less because they are working more.

The majority of voters will tend to perceive this as a good measure but would be unwise to support it in its current form. It is a mirage. Oregon is amazingly beautiful and is a wonderful home for millions. Please don't help people dupe themselves into something that will harm it. Please work on a plan where

the incentives align with ideals and maybe go easy on the healthcare providers who just got us through COVID.

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