

Executive Summary

Joint Task Force on Universal Health Care · September 2022

Full report available at:

<https://olis.oregonlegislature.gov/liz/202111/Downloads/CommitteeMeetingDocument/257230>

[Senate Bill 770](#) (2019) created the Joint Task Force on Universal Health Care (Task Force), charging it with making recommendations for a functional single-payer health care system that is responsive to the needs of the residents of this state. Oregon's current health care is inefficient, expensive, and complex. It relies on multiple private, public, and taxpayer-subsidized insurance plans. It relies primarily on employment for health care insurance and access. It uses different benefits, different provider networks, and different insurance plans. Each year thousands of Oregonians are without insurance when their employment or family status changes. Health care in Oregon is inequitably delivered. Too many Oregonians endure unequal access, varied care quality, and wide-ranging outcomes because of race, age, income, geography, or insurance. High health care costs generate debt and bankruptcy for many Oregonians.

Process Summary

Over a two-year period, the Task Force met for more than 250 hours, created six technical advisory groups, sponsored a Consumer Advisory Committee, held 13 community listening sessions and business forums across Oregon – an unprecedented and unparalleled effort to solicit guidance and input from hundreds of Oregonians across the state. The result: a well-designed blueprint for a robust system of universal health care that accounts for and builds on Oregon's legacy of health reform as envisioned in SB 770. Acknowledging that significant work remains, to be led by the creation of a governance board, the Task Force respectfully submits its Universal Health Plan to the Legislative Assembly for a unified system of health care financing that will provide better coverage to more Oregonians for less money than Oregon's current system.

Recommendation:

Establish Governance Board (2023) to Implement Plan (2026-2027)

The Task Force developed a blueprint for the system of state-based universal care envisioned in SB 770. The Universal Health Plan (Plan) represents the design choices of the Task Force, informed by technical advisory groups, public engagement, and national experts. The recommended Plan includes the following key elements:



Eligibility and Enrollment. All people who live in Oregon will qualify for the Universal Health Plan no matter their job, income, immigration status, or tribal membership.



Affordability. The Plan will not require patients to pay when receiving care—no co-pays or deductibles. Medical debt will no longer exist. Instead, people will pay new taxes based on their ability to pay.



Covered Benefits. The Plan is based on benefits public employees get now, covering services offered now to people on Medicaid, Medicare, or Affordable Care Act plans, and will increase funding for behavioral health services.



Long-Term Supports and Services. People who qualify for long-term care will continue to receive benefits and services through Medicaid and the Oregon Department of Human Services (DHS).



Social Determinants of Health (SDOH). Conditions in people's lives — including housing, education, job opportunities, nutrition, and factors such as racism, discrimination, and violence — affect health outcomes. The Plan will seek, whenever possible, to address these conditions.



Medicare. People who qualify for Medicare will be covered by the Plan to the extent that the federal government will allow. Those who qualify for Medicare will have all the benefits currently available in Medicare plus new benefits offered in the Universal Health Plan.



Nine Federally Recognized Tribes of Oregon. Tribal members will have the choice to enroll in the Plan as it will not change the services that Indian Health Services or tribal health systems currently provide. Tribal providers can participate in the Plan.



Health Care Providers. The Plan will work with doctors, nurses, behavioral health providers, traditional health workers, and others. The Plan will prioritize a more diverse workforce, reflecting Oregon's diverse communities and offering culturally appropriate care.



Provider Reimbursement. The Plan will pay providers directly. Rates of pay will be set by region to account for different health care needs across the state. The Plan will eliminate the current system of different reimbursement rates by payer. The Plan will use global budgets and other alternative payment arrangements to improve outcomes and value over time.



Private Insurance. Insurers will have a more limited role than in the current system, offering extra insurance to cover benefits or services not offered by the Plan. The Universal Health Plan will serve as the main administrator of health care benefits in Oregon.



Employers and Employees. The Plan will uncouple health insurance from employment. This means that employers will no longer need to provide health benefits. In funding scenarios considered by the Task Force, employers would contribute to the health of all Oregonians through a payroll tax with rates based on employee wages.



Funding. A public trust fund, separate from Oregon's General Fund, will combine federal and state revenues along with contributions from employers and

households. The Task Force considered revenue scenarios in which employers would contribute through a payroll tax, as above. The Task Force also considered, in addition to the payroll tax, a health care income tax on households with income above 200 percent of the federal poverty level (FPL).



Governance. The Plan will be overseen by a nonprofit public corporation subject to Oregon’s transparency laws (public meetings, public records, ethics, and administrative procedures). A board will govern it. That board shall report to the Legislative Assembly and the Governor. Board members are to represent a variety of health care professionals and community voices. Regional groups will advise the board to respond to the unique needs of the diverse communities across Oregon.



Transition Plan. The Task Force recommendation to the 2023 Legislative Assembly is to appoint a governance board consistent with SB 770 (2019). The governance board will complete a full single-payer implementation plan for review and consideration by the 2025 Legislative Assembly.

Further Analysis

The Task Force consulted with professional actuaries to project expenditures and revenue required to fund the Universal Health Plan. In 2026, the Universal Health Plan is estimated to cost \$980 million less than the current system. These savings are based on conservative assumptions and are projected to increase with time—an opportunity to counter health care costs that are growing faster than the income of most Oregonians.

The Task Force also assessed examples of revenue strategies based on the assumption that funding will come from existing sources, such as federal and state funds for Medicare and Medicaid. Oregon will need new revenues so that out-of-pocket costs, including premiums, deductibles, and co-pays, are eliminated. The Task Force did not recommend or approve specific tax strategies and acknowledged that more analysis is needed.

Next Steps

From access and affordability to the details of its transition plan, the Task Force worked tirelessly to design a universal system of health care to better serve the people of Oregon. Significant challenges remain, including securing federal waivers and funding. Given the enormity of the change (involving over \$50 billion in spending and providing health care to 4.2 million people), the natural reluctance to change needs to be considered in designing transition plans that build confidence and reduce risk. Ideas that can help to increase public confidence should be considered by the governance board. The next step rests with the Legislative Assembly in 2023 with passage of legislation establishing a governing board as a public corporation; one that is independent from other state agencies to oversee transition activities as well as implement and operate the Universal Health Plan.