

Joint Task Force on Universal Health Care

**Presentation to:
Senate Interim Committee on Health Care**

**Bruce Goldberg, MD
December 8, 2022**

Joint Task Force on Universal Health Care

- Established by [Oregon SB 770](#) (2019)
- 20 members: 4 legislators, 13 Governor appointed members, two executive branch and one local government
- Engaged various consultants and experts
- [Final Report and Recommendations](#) delivered September 30, 2022

CONTEXT

- Our current health care system is financially unsustainable, harmfully complex and socially unjust.
- Health care in Oregon is inequitably delivered and paid for.
- Too many Oregonians because of their race, age, income, geography or insurance endure vastly different health care access, varied health care quality and wide-ranging health outcomes.

Public Engagement

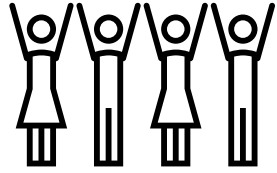
- Consumer Advisory Committee
- Seven roundtables with underserved communities
- Six regional community listening sessions (incl. Spanish)
- Forums with
 - Health care professionals
 - Hospitals and health systems
 - Large employers
 - Small employers
 - Unions

Universal Health Plan Summary

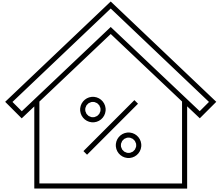
- All Oregonians are covered
- Robust universal benefit for all
- Eliminates deductibles, co-pays, co-insurance and any other out of pocket costs
- Same payment system for all providers - eliminates current structurally inequitable system
- Providers bill one entity
- Oregonians can seek services from any provider in the state
- Cost is less than our current system

Key elements

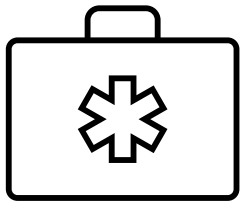
Universal Health Plan



Eligibility and Enrollment. All people who live in Oregon will qualify no matter their job, income, or immigration status.



Affordability. No payment at the point of care. No co-pays or deductibles. No more medical debt.



Covered Benefits. Based on the benefits available now through Oregon's Public Benefits Employee Board (PEBB). Includes dental. Enhanced behavioral health (to be determined)

Health Care Professionals

- Any licensed or authorized practitioner in Oregon who provides health care services that are covered by the Universal Health Plan is a “participating provider”
- Can see any 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
- The Universal Health Plan will prioritize recruitment of a diverse and representative workforce with sufficient geographic and cultural distribution of providers

Provider Reimbursement

- Universal Health Plan 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
- Opportunity for clinicians to work in collaboration with Universal Health Plan re: payment methodologies, utilization review and quality improvement programs.

Governance

Governance

- The Universal Health Plan will be administered by a state single payer entity and governed by a non-profit public corporation subject to public records and public meetings laws
- Board members will be appointed by the Governor and confirmed by the Legislative Assembly
- Regional entities within the Universal Health Plan, will advise the Plan on how to respond to unique needs of diverse communities across Oregon
- Government-to-Government relationship with tribes

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

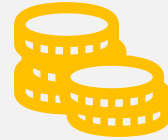
Equity

- Universal Health Plan removes obstacles to equitable care
 - Everyone covered, same benefit, no cost sharing, provider payments no longer vary by payor.
- Universal Health Plan removes structural inequities in our current payment system
 - No longer are providers paid more to see well insured and less to see low income and elderly
- Contributions based on ability to pay
- Plan works to address issues that affect health outcomes, including housing, education, nutrition, violence, and racism (SDOH)

Expertise on finances and design



Actuarial Model
CBIZ Optumas



Revenue Estimates
Legislative Revenue Office



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

ERISA

- Payroll tax is levied on all employers is progressive, based on employee wages and is unrelated to the employer's benefits plans and is not contingent on them.
- Employers still have option to offer a self funded plan, complementary coverage or no coverage
- Restriction on coverage duplication by state regulated health insurers
- Regulation of participating provider reimbursement

Costs

Estimates Program Costs in 2026 (Implementation Year)

	Total Cost (2026 \$)*
Current System	\$55.60 (Billion)
Universal Health Plan	\$54.63 (Billion)
Projected Savings (Year 1)	\$980 (Million)

Costs

Administering the Plan

- Costs to administer the Universal Health Plan were calculated at 6% by our actuary consultants.
- Some task force members think it will be possible to administer the plan for less, but having a conservative estimate is prudent.

Funding

- Enrollees will not pay copays, deductibles, or any other cost sharing at point of service
- Funding will no longer be tied to premiums
- Existing state and federal health care revenue will be pooled into a state trust dedicated to health care
- Additional revenue needs will be generated by a combination of payroll tax on employers and a personal income tax. These will be put into a state trust dedicated to health care

Funding

Waivers

- Will require federal waivers/approvals for Medicaid, Medicare and Marketplace funds to be used for Universal Health Plan.
- Oregon may be able to proceed with 1115 and 1332 waivers along with approvals from the federal Center for Medicare and Medicaid Innovation
- Task force supports “super waiver”

Revenue

- The Task Force did not recommend or approve specific tax strategies
- Additional work is needed to determine how best to design a fair and equitable funding mechanism
- The Task Force considered, for example purposes only, a payroll and personal income tax funding mechanism

Revenue

- The Task Force considered scenarios in which all employers pay a **payroll tax** on employee wages. Example rates: 7-10%. In the **aggregate**, employers will contribute ~11% less toward the cost of health care than in the current multi-payer system
- The Task Force also considered, in addition to the payroll tax, a **health care income tax** on income above 200% FPL. Example rates: 0-8%. In the **aggregate**, households will contribute ~13% less toward the cost of health care than in the current multi-payer system
- The Task Force made no formal recommendation. More study is needed.

NEXT STEPS

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 implementation plan for review and consideration by the 2025 Legislative Assembly.
- Secure necessary additional economic and actuarial analysis and make recommendations regarding revenue
- Work with the delivery system on key issues such as behavioral health, payment, workforce.
- Engage federal authorities surrounding the appropriate waivers

Thank you!

QUESTIONS?

- Final Report submitted to the Oregon legislature on September 30
- Report available at:

<https://www.oregon.gov/oha/HPA/HP/Pages/Task-Force-Universal-Health-Care.aspx>