

A-Engrossed
Senate Bill 704

Ordered by the Senate March 27
Including Senate Amendments dated March 27

Sponsored by Senator MANNING JR, Representative NELSON, Senators PROZANSKI, DEMBROW, JAMA, PATTERSON, Representative BYNUM; Senators FREDERICK, GELSER BLOUIN, GOLDEN, GORSEK, MEEK, TAYLOR, WOODS, Representatives CHAICHI, GAMBA, HUDSON, LIVELY, PHAM K, REYNOLDS, TRAN (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Universal Health Plan Governance Board and directs board to create comprehensive plan for implementing Universal Health Plan *[beginning in 2027]*.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to universal health care; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Universal Health Plan Governance Board is established in the De-**
5 **partment of Consumer and Business Services, consisting of nine members appointed by the**
6 **Governor who must:**

7 (a) **Support the objective of the board described in section 2 (2) of this 2023 Act;**

8 (b) **Support the values and principles expressed in section 2 (3)(a) and (b) of this 2023 Act;**
9 **and**

10 (c) **Represent a variety of health care professionals and community perspectives, includ-**
11 **ing individuals with experience:**

12 (A) **As enrollees in the state medical assistance program or Medicare; and**

13 (B) **Being without health insurance coverage.**

14 (2) **Of the membership of the board:**

15 (a) **Five members must have expertise in health care delivery, health care finance, health**
16 **care operations or public administration; and**

17 (b) **Four members must be focused on public engagement.**

18 (3) **The term of office of each member of the board is four years, but a member serves**
19 **at the pleasure of the Governor. Before the expiration of the term of a member, the Gover-**
20 **nor shall appoint a successor whose term begins on January 2 next following. A member is**
21 **eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an**
22 **appointment to become immediately effective for the unexpired term.**

23 (4) **The appointment of each member of the board is subject to confirmation by the Sen-**
24 **ate in the manner prescribed in ORS 171.562 and 171.565.**

25 (5) **A member of the board is entitled to compensation and reimbursement of actual and**
26 **necessary travel and other expenses incurred by the member in the performance of the**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 member's official duties in accordance with ORS 292.495.

2 (6) The board shall select one of its members as chairperson and another as vice chair-
3 person, for terms and with duties and powers necessary for the performance of the functions
4 of the offices as the board determines.

5 (7) A majority of the members of the board constitutes a quorum for the transaction of
6 business.

7 (8) The board shall meet at a time and place determined by the board. The board also
8 may meet at other times and places specified by the call of the chairperson or of a majority
9 of the members of the board.

10 (9) In accordance with applicable provisions of ORS chapter 183, the board may adopt
11 rules necessary for the administration of the laws that the board is charged with adminis-
12 tering.

13 (10)(a) The board may establish any advisory or technical committees the board considers
14 necessary to aid and advise the board in the performance of its functions. The committees
15 may be continuing or temporary committees. The board shall determine the representation,
16 membership, terms and organization of the committees and shall appoint the members of the
17 committees.

18 (b) Members of the committees are not entitled to compensation but, in the discretion
19 of the board, may be reimbursed from funds available to the board for actual and necessary
20 travel and other expenses incurred by the members in the performance of official duties in
21 the manner and amount provided in ORS 292.495.

22 (11)(a) The board shall appoint an executive director to serve at the pleasure of the
23 board, to be responsible for the administrative operations of the board and to perform such
24 other duties as may be designated or assigned to the executive director from time to time
25 by the board. The board shall fix the compensation of the executive director in accordance
26 with ORS chapter 240.

27 (b) Subject to any applicable provisions of ORS chapter 240, the executive director shall
28 appoint staff as needed for policy analysis and administrative support.

29 (c) The executive director shall contract with experts and consultants as necessary to
30 carry out section 2 (3) of this 2023 Act.

31 **SECTION 2.** (1) As used in this section, "single payer health care financing system"
32 means a universal system used by the state to pay the cost of health care services and goods
33 in which:

34 (a) Institutional providers are paid directly for health care services or goods by the state
35 or paid by an administrator that does not bear risk in contracting with the state;

36 (b) Institutional providers are paid with global budgets that separate capital budgets,
37 established through regional planning, and operational budgets;

38 (c) Group practices are paid directly for health care services or goods by the state, by
39 an administrator that does not bear risk in contracting with the state, by the employer of
40 the group practice or by an institutional provider; and

41 (d) Individual health care providers are paid directly for health care services or goods
42 by the state, by their employers, by an administrator that does not bear risk in contracting
43 with the state, by an institutional provider or by a group practice.

44 (2) The Universal Health Plan Governance Board established in section 1 of this 2023 Act
45 shall create a comprehensive plan to finance and administer a Universal Health Plan that is

1 responsive to the needs and expectations of the residents of this state by:

2 (a) Improving the health status of individuals, families and communities;

3 (b) Defending against threats to the health of the residents of this state;

4 (c) Protecting individuals from the financial consequences of ill health;

5 (d) Providing equitable access to person-centered care;

6 (e) Removing cost as a barrier to accessing health care;

7 (f) Removing any financial incentive for a health care practitioner to provide care to one
8 patient rather than another;

9 (g) Making it possible for individuals to participate in decisions affecting their health and
10 the health system;

11 (h) Establishing measurable health care goals and guidelines that align with other state
12 and federal health standards;

13 (i) Promoting continuous quality improvement and fostering interorganizational collab-
14 oration; and

15 (j) Focusing on coverage of evidence-based health care and services.

16 (3) In developing the plan and the recommendations to the Legislative Assembly under
17 subsection (4) of this section, the board shall:

18 (a) Consider, at a minimum, the following values:

19 (A) Health care, as a fundamental element of a just society, must be secured for all in-
20 dividuals on an equitable basis by public means, similar to public education, public safety and
21 public infrastructure;

22 (B) Race, color, national origin, age, disability, wealth, income, citizenship status, pri-
23 mary language, genetic conditions, previous or existing medical conditions, religion or sex,
24 including sex stereotyping, gender identity, sexual orientation and pregnancy and
25 pregnancy-related medical conditions may not create barriers to health care nor result in
26 disparities in health outcomes due to the lack of access to care;

27 (C) The components of the Universal Health Plan must be accountable and fully trans-
28 parent to the public regarding information, decision-making and management through
29 meaningful public participation; and

30 (D) Funding for the Universal Health Plan is a public trust and any savings or excess
31 revenue must be returned to the public trust;

32 (b) Consider, at a minimum, the following principles:

33 (A) A participant in the Universal Health Plan may choose any individual provider who
34 is licensed, certified or registered in this state or may choose any group practice;

35 (B) The plan may not discriminate against any individual health care provider who is li-
36 censed, certified or registered in this state to provide services covered by the plan and who
37 is acting within the provider's scope of practice;

38 (C) A participant in the plan and the participant's health care provider shall determine,
39 within the scope of services covered within each category of care and within the plan's pa-
40 rameters for standards of care and requirements for prior authorization, whether a service
41 or good is medically necessary or medically appropriate for the participant; and

42 (D) The plan shall cover health care services and goods from birth to death, based on
43 evidence-informed decisions as determined by the board;

44 (c) Assess the readiness of key health care and public institutions to carry out the plan
45 and collaborate with state agencies, including the Oregon Health Authority and the Depart-

1 **ment of Human Services, to determine how the agencies' existing systems will integrate with**
2 **the Universal Health Plan;**

3 **(d) Consider the recommendations of the Joint Task Force on Universal Health Care in**
4 **the report approved by the task force on September 29, 2022, including the recommendations**
5 **to establish a single payer health care financing system that are consistent with subsection**
6 **(1) of this section;**

7 **(e) Identify statutory authorities and information technology infrastructure needed for**
8 **overall plan operations;**

9 **(f) Evaluate how to work with the nine federally recognized Indian tribes in Oregon and**
10 **existing boards, commissions and councils concerned with health care and health insurance;**

11 **(g) Work collaboratively with partners across the complexities of the health care system,**
12 **including hospitals, health care providers, insurers and coordinated care organizations, to**
13 **build a sustainable health care financing system that delivers care equitably;**

14 **(h) Engage with regional organizations to identify strategies to reduce the complexities**
15 **and administrative burdens on participants in the health care workforce and to otherwise**
16 **address workforce challenges;**

17 **(i) Study and address the impacts of the Universal Health Plan with respect to specific**
18 **types of employers;**

19 **(j) Design the administrative and financing structure for the Universal Health Plan;**

20 **(k) Engage with the Governor's office, the Oregon Health Authority and federal author-**
21 **ities to ascertain and describe, if not yet in federal or state law, necessary federal waivers**
22 **or other options to secure federal and state funding and to implement the Universal Health**
23 **Plan;**

24 **(L) Include a plan to create a Universal Health Plan Trust Fund in the State Treasury,**
25 **separate and distinct from the General Fund, consisting of moneys from all sources, public**
26 **and private, that are allocated to or deposited to the Universal Health Plan Trust Fund for**
27 **the purpose of financing the planning for and the administration and operation of the Uni-**
28 **versal Health Plan by the Universal Health Plan Governance Board, with any moneys in the**
29 **Universal Health Plan Trust Fund at the end of the biennium being retained in the Universal**
30 **Health Plan Trust Fund;**

31 **(m) Include a plan to create an independent public corporation that shall exercise and**
32 **carry out all powers, rights and privileges that are:**

33 **(A) Expressly conferred upon the board;**

34 **(B) Incident to such powers, rights and privileges; or**

35 **(C) Implied by law; and**

36 **(n) Ensure that the proposed plan will include all Oregon residents equitably.**

37 **(4) No later than September 15, 2026, the Universal Health Plan Governance Board shall**
38 **present to the interim committees of the Legislative Assembly related to health, in the**
39 **manner provided in ORS 192.245, and to the Governor, a comprehensive plan for the imple-**
40 **mentation of the Universal Health Plan.**

41 **SECTION 3. (1) The Universal Health Plan Governance Board shall provide a status re-**
42 **port no later than December 1 of each year, beginning in 2024, to the interim committees**
43 **of the Legislative Assembly related to health, on the progress in the development of the**
44 **comprehensive plan and any needed legislative changes.**

45 **(2) The report need not be in compliance with ORS 192.245.**

1 **SECTION 4. (1) Notwithstanding the term of office specified by section 1 of this 2023 Act,**
2 **of the members first appointed to the Universal Health Plan Governance Board:**

- 3 **(a) Two shall serve for terms ending January 2, 2025.**
- 4 **(b) Two shall serve for terms ending January 2, 2026.**
- 5 **(c) Two shall serve for terms ending January 2, 2027.**
- 6 **(d) Three shall serve for terms ending January 2, 2028.**

7 **(2) Notwithstanding section 1 (11) of this 2023 Act, the Governor shall appoint an execu-**
8 **tive director of the board and fix the compensation of the executive director in accordance**
9 **with ORS chapter 240 without undue delay after the effective date of this 2023 Act who shall**
10 **serve at the pleasure of the Governor until the full board has been appointed by the Gover-**
11 **nor and confirmed by the Senate.**

12 **SECTION 5.** Section 2 of this 2023 Act is amended to read:

13 **Sec. 2.** (1) As used in this section, “single payer health care financing system” means a uni-
14 versal system used by the state to pay the cost of health care services and goods in which:

15 (a) Institutional providers are paid directly for health care services or goods by the state or paid
16 by an administrator that does not bear risk in contracting with the state;

17 (b) Institutional providers are paid with global budgets that separate capital budgets, established
18 through regional planning, and operational budgets;

19 (c) Group practices are paid directly for health care services or goods by the state, by an ad-
20 ministrator that does not bear risk in contracting with the state, by the employer of the group
21 practice or by an institutional provider; and

22 (d) Individual health care providers are paid directly for health care services or goods by the
23 state, by their employers, by an administrator that does not bear risk in contracting with the state,
24 by an institutional provider or by a group practice.

25 (2) The Universal Health Plan Governance Board established in section 1 of this 2023 Act shall
26 create a comprehensive plan to finance and administer a Universal Health Plan that is responsive
27 to the needs and expectations of the residents of this state by:

28 (a) Improving the health status of individuals, families and communities;

29 (b) Defending against threats to the health of the residents of this state;

30 (c) Protecting individuals from the financial consequences of ill health;

31 (d) Providing equitable access to person-centered care;

32 (e) Removing cost as a barrier to accessing health care;

33 (f) Removing any financial incentive for a health care practitioner to provide care to one patient
34 rather than another;

35 (g) Making it possible for individuals to participate in decisions affecting their health and the
36 health system;

37 (h) Establishing measurable health care goals and guidelines that align with other state and
38 federal health standards;

39 (i) Promoting continuous quality improvement and fostering interorganizational collaboration;
40 and

41 (j) Focusing on coverage of evidence-based health care and services.

42 (3) In developing the plan [*and the recommendations to the Legislative Assembly under subsection*
43 *(4) of this section*], the board shall:

44 (a) Consider, at a minimum, the following values:

45 (A) Health care, as a fundamental element of a just society, must be secured for all individuals

1 on an equitable basis by public means, similar to public education, public safety and public
2 infrastructure;

3 (B) Race, color, national origin, age, disability, wealth, income, citizenship status, primary lan-
4 guage, genetic conditions, previous or existing medical conditions, religion or sex, including sex
5 stereotyping, gender identity, sexual orientation and pregnancy and pregnancy-related medical con-
6 ditions may not create barriers to health care nor result in disparities in health outcomes due to
7 the lack of access to care;

8 (C) The components of the Universal Health Plan must be accountable and fully transparent to
9 the public regarding information, decision-making and management through meaningful public par-
10 ticipation; and

11 (D) Funding for the Universal Health Plan is a public trust and any savings or excess revenue
12 must be returned to the public trust;

13 (b) Consider, at a minimum, the following principles:

14 (A) A participant in the Universal Health Plan may choose any individual provider who is li-
15 censed, certified or registered in this state or may choose any group practice;

16 (B) The plan may not discriminate against any individual health care provider who is licensed,
17 certified or registered in this state to provide services covered by the plan and who is acting within
18 the provider's scope of practice;

19 (C) A participant in the plan and the participant's health care provider shall determine, within
20 the scope of services covered within each category of care and within the plan's parameters for
21 standards of care and requirements for prior authorization, whether a service or good is medically
22 necessary or medically appropriate for the participant; and

23 (D) The plan shall cover health care services and goods from birth to death, based on
24 evidence-informed decisions as determined by the board;

25 (c) Assess the readiness of key health care and public institutions to carry out the plan and
26 collaborate with state agencies, including the Oregon Health Authority and the Department of Hu-
27 man Services, to determine how the agencies' existing systems will integrate with the Universal
28 Health Plan;

29 *[(d) Consider the recommendations of the Joint Task Force on Universal Health Care in the report*
30 *approved by the task force on September 29, 2022, including the recommendations to establish a single*
31 *payer health care financing system that are consistent with subsection (1) of this section;]*

32 *[(e)]* (d) Identify statutory authorities and information technology infrastructure needed for
33 overall plan operations;

34 *[(f)]* (e) Evaluate how to work with the nine federally recognized Indian tribes in Oregon and
35 existing boards, commissions and councils concerned with health care and health insurance;

36 *[(g)]* (f) Work collaboratively with partners *[(g)* across the complexities of the health care system,
37 including hospitals, health care providers, insurers and coordinated care organizations, to build a
38 sustainable health care financing system that delivers care equitably;

39 *[(h)]* (g) Engage with regional organizations to identify strategies to reduce the complexities and
40 administrative burdens on participants in the health care workforce and to otherwise address
41 workforce challenges;

42 *[(i)]* (h) Study and address the impacts of the Universal Health Plan with respect to specific
43 types of employers;

44 *[(j)]* (i) Design the administrative and financing structure for the Universal Health Plan;

45 *[(k)]* (j) Engage with the Governor's office, the Oregon Health Authority and federal authorities

1 to ascertain and describe, if not yet in federal or state law, necessary federal waivers or other
2 options to secure federal and state funding and to implement the Universal Health Plan;

3 [(L)] (k) Include a plan to create a Universal Health Plan Trust Fund in the State Treasury,
4 separate and distinct from the General Fund, consisting of moneys from all sources, public and pri-
5 vate, that are allocated to or deposited to the Universal Health Plan Trust Fund for the purpose
6 of financing the planning for and the administration and operation of the Universal Health Plan by
7 the Universal Health Plan Governance Board, with any moneys in the Universal Health Plan Trust
8 Fund at the end of the biennium being retained in the Universal Health Plan Trust Fund;

9 [(m)] (L) Include a plan to create an independent public corporation that shall exercise and
10 carry out all powers, rights and privileges that are:

11 (A) Expressly conferred upon the board;

12 (B) Incident to such powers, rights and privileges; or

13 (C) Implied by law; and

14 [(n)] (m) Ensure that the proposed plan will include all Oregon residents equitably.

15 [(4) *No later than September 15, 2026, the Universal Health Plan Governance Board shall present*
16 *to the interim committees of the Legislative Assembly related to health, in the manner provided in ORS*
17 *192.245, and to the Governor, a comprehensive plan for the implementation of the Universal Health*
18 *Plan.*]

19 **SECTION 6. The amendments to section 2 of this 2023 Act by section 5 of this 2023 Act**
20 **become operative on January 2, 2028.**

21 **SECTION 7. Section 4 of this 2023 Act is repealed on January 2, 2028.**

22 **SECTION 8. This 2023 Act being necessary for the immediate preservation of the public**
23 **peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect**
24 **on its passage.**

25