Testimony in favor of HB 2922 from Samuel Metz, MD
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My name is Samuel Metz. I am an anesthesiologist living in Portland and working in hospitals and ambulatory surgery centers in the Willamette Valley.

A. What are successful health care systems?

Oregon does not have a successful health care system. Successful health care systems achieve three goals:

1. Provide health care **access** to us and our families when we need it.

2. Lower **costs** (including premiums, taxes, and out of pocket payments).

3. Improve **health**.

In one sentence, successful systems provide better care to more people for less money than our private insurance model.

All successful systems have three characteristics in common (1).

1. They include everyone without using higher prices, reduced benefits, or exclusion from care to discriminate against the sick, the poor, or the unemployed.

2. They encourage patients to seek care by reducing or eliminating deductibles, co-pays, and excluded conditions.

3. They finance care with publicly accountable, transparent, not for profit agencies.

Most successful systems allow profits from ***delivering*** health care. We are the only country that allows profits from ***financing*** health care.

B. How does health care financing differ from health care delivery?

Health care ***financing*** answers the questions, "Who gets care?" "Who pays for care?" and "How do we collect?" Private health insurance and single payer systems are different examples of financing formats.

Health care ***delivery*** answers the question, "Which providers receive how much payment for what services under what circumstances for which patients?" Fee for service, capitated payments, accountable care organizations, and coordinated care organizations are examples of delivery formats.

Almost any ***financing*** format can be coupled with almost any ***delivery*** format.

Successful systems use a variety of delivery systems. However, every successful system has the same three financing characteristics: include everyone, encourage care, and use publicly accountable, transparent, not for profit financing.

C. Why do we need to consider single payer if Oregon is implementing the Affordable Care Act (ACA)?

The ACA will not provide better care to more people for less money.

1. The Congressional Budget Office (CBO) estimates the ACA will leave 60 million Americans under-insured or un-insured (2, 3). We do not yet have a study in Oregon, but we can expect 700,000 Oregonians to be left at risk for medical bankruptcy or death from a treatable disease… if the ACA works perfectly.

2. Although the ACA reduces government spending, the CBO estimates an increase in total health care spending of $100 billion annually (4, 5). We do not yet have a study in Oregon, but we can expect costs in Oregon to increase by $1 billion annually…if the ACA works perfectly.

3. The ACA will not improve public health. We know this because of the experience in Massachusetts since it enacted its own version of the ACA in 2006 (6, 7). Since then, measures of public health in Massachusetts have not improved. Medical bankruptcies have increased 30%. Health care costs in Massachusetts have risen faster than any region in the country; and Massachusetts began with the highest health care costs in the country.

Therefore, after Oregon implements the ACA, we can expect health care to remain dangerously inaccessible to many Oregonians, increased costs and bankruptcies, and no improvement in public health…if the ACA works perfectly.

Oregon needs to act decisively now to protect our health care when the ACA is fully implemented.

D. Will single payer endanger Coordinated Care Organizations (CCOs)?

CCOs are a delivery system already coupled with Oregon's largest single payer agency, the Oregon Health Plan.

CCO patients are the costliest patients for health care in Oregon; they are Oregon's sickest and poorest residents. The Oregon Health Plan pays CCOs at the lowest rate in the state. Financial risks to CCOs, with costly patients and low payments, are high.

If CCOs were to care for all Oregonians under a statewide single payer plan, the average cost of providing care would go down and payment per patient would be higher than current Medicaid rates.

Thus, coupling CCOs with universal statewide single payer financing would reduce financial risks to CCOs, generate competition among CCOs, and potentially reduce total health care costs in Oregon.

Oregon currently has many working single payer agencies, both private and public.

1. Large businesses that self-fund employee health care are examples of private single payer agencies.

2. Taft-Hartley multi-employee health care plans are examples of private single payer agencies.

3. All government health care programs are single payer agencies, including the Indian Health Service, TriCare for our armed forces, the Veterans Administration, Medicaid, and Medicare.

All these single payer systems, for comparable patient populations, provide better care to more people for less money than private insurance. That is why single payer health care is the preferred employee health care method of almost every large business in the US and in Oregon (8).

There are no examples in the US of competition among private health insurance companies increasing access to health care, reducing costs, or improving public health.

E. Summary

Oregon needs single payer health care because the Affordable Care Act, whatever else it may achieve, will not improve access, reduce costs, or improve public health in Oregon. Single payer health care will insure that Oregon's CCOs survive, thrive, and compete. Single payer health care provides better care to more people for less money than private insurance.

Oregon needs and deserves single payer health care.

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