



UNIFIED BUSINESS OPPOSES HB 3262

Background: Federal law allows families, even those with employer-sponsored health coverage, to qualify for supplemental social service programs including but not limited to Social Security Insurance/SSI-D, and the Children's Health Insurance Program (CHIP) for families up to 300% of the federal poverty level. The federal government, through these programs, recognizes that for some families, the cost of care, particularly high costs due to issues of permanent congenital diseases or birth defects, are too great to be borne by the family, an individual, or a single employer. Instead, through federal income taxes, employers and families pay for these programs globally and the programs are then managed by the federal or state government.

House Bill 3262 Opposition: Unified Business Oregon opposes House Bill 3262 which would disproportionately impact employers when they hire employees who themselves, or a member of their families, qualify for one of these federal programs in which the law entitles them. Employers already pay a myriad of taxes, fees, and assessments on income, payroll, and healthcare costs to cover these programs now. Having the State of Oregon seek to claw back additional tax dollars on top to what employers pay currently is wrong.

The long-term cost of a child needing life-long care is a societal cost to be borne by us all, not an employment cost of an individual employer. Unified Business Oregon agrees that these families should have life-long access to care. Where we part ways with the proposed legislation is that somehow, the bill's sponsors apparently believe those costs should be born by an employer who is otherwise seeking to provide a living for that family.

While this measure seeks to capture employers with over 100 employees, it also adds in franchisees. With no disrespect intended, that language shows a disconnect in understanding how a franchise works. An owner pays licensing fees to be part of the company that indeed has national or regional branding. Financially however, those entities operate as autonomous companies for the purposes of taxation and business costs. A franchise owner of a UPS mail and print store might get to use the UPS brand as part of its franchise agreement, and are networked together for marketing purposes, but the franchise owner may only have three employees in their company. This measure as written would impact mom-and-pop franchisees around the state, with the potential to drive them out of business.

As with many of these bills, we also see this as a "first-bite at the apple" piece of legislation. While the Legislature seeks to restore \$200 MILLION in double healthcare coverage for 7,000 public employee households and fails to address the cost increases associated with Medicaid and PERS, we believe this measure if passed in its current form will come back in subsequent sessions with new provisions reducing the employer size requirement. It is an inconvenient truth that this is par for the course in the Oregon legislature as it seeks revenue band-aids instead of dealing with systemic reforms needed head on.

We urge a NO vote on this measure and instead encourage the legislature to deal with healthcare cost reforms in a way so that the healthcare dollars we do have are spread equitably across the system.

Sincerely,

A handwritten signature in black ink, appearing to read "Lou Ogden", written in a cursive style.

Lou Ogden
Executive Director