



HB 2269: We support the Employer Health Care Responsibility Act

Testimony for the House Committee on Revenue – John Calhoun – 4.22.2019

The Affordable Care Act provided improved coverage of health insurance for many Americans and the actions of this legislature helped Oregonians gain access to the Oregon health plan, reducing our state's uninsured population significantly. However, in Oregon and our nation, most citizens not on Medicare still get their health insurance through an employer. Unlike all other advanced countries that provide some form of national health insurance, the U.S. depends upon that employer insurance.

When employers do not provide health insurance to their employees, they are gaming the system and pushing the costs off on the rest of society. I spent over 25 years starting and growing businesses as an entrepreneur and investor. Not once did I consider it appropriate to have a business that did not provide basic healthcare coverage. My view was that if you could not provide healthcare then you couldn't afford to be in business. It was just a fundamental ethical judgement. Since I needed healthcare, I could not justify healthcare for me, but not for my employees.

It is even more unethical for medium or large companies to fail to provide insurance. Since many of them do this by keeping employee hours under the 30-hour federal threshold they impoverish their workers two ways, by not providing full time employment, and by not providing health care. Since large multinational firms operate in other countries and cannot escape the taxes that pay for healthcare in those countries, we must stop letting them get away with it in Oregon. It is inappropriate that in Oregon they push off on the state and other employers the cost of healthcare for their employees.

These companies compete unfairly against employers that do provide insurance. Those employers now pay a 2% surcharge tax on their health care premiums to help cover the cost of Oregon's Medicaid Program. Employers that provide no health care should also contribute to the Oregon program since it is their employees that are getting the benefit.

According to the Oregon Health Authority, the vast majority of the businesses affected are not in traded sectors so the claim that they cannot pay for insurance for competitive reasons does not fly. The proposed 50 cents per hour charge is a modest charge. It is roughly \$1,000 per year for a full-time worker which is less than 20% of the cost of most employee only health care plans.

It is long past the time that employers need to step up and fulfill their obligations to their employees and to the general public. We urge you to pass this bill.

We read the bills and follow the money