

SB 704 -3, -7, -8 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/13, 2/15, 3/22

WHAT THE MEASURE DOES:

Establishes the Universal Health Plan Governance Board (Board) within the Oregon Department of Administrative Services. Specifies that the Board will have nine seats with members to be appointed by the Governor to represent a variety of health care professions and community perspectives. Provides four-year terms for Board members, who are paid as full-time public employees and who will elect among themselves a chair and vice-chair. Directs the Board to appoint an executive director to be responsible for administrative operations of the Board. Directs the Board to design an administrative structure for the Universal Health Plan, to assess the readiness of public institutions and infrastructure to carry out the plan, and to work collaboratively with partners across the health care system, including hospitals, health care providers, insurers, and coordinated care organizations.

Establishes the Universal Health Plan Trust Fund in the State Treasury, separate from the General Fund, consisting of public and private funds allocated for the purpose of planning for and administering the Universal Health Plan. Directs the Board to engage with the Governor's office, the Oregon Health Authority, and federal authorities to secure necessary federal waivers or other options to secure federal and state funding. Directs the Board to present to the Legislative Assembly, by September 15, 2025, a comprehensive plan for the implementation of the Universal Health Plan beginning in 2027.

REVENUE: *No revenue impact*

FISCAL: *Fiscal impact issued*

ISSUES DISCUSSED:

- Representation of health care professionals and others on Governance Board
- Relationship between Governance Board and Oregon Health Policy Board

EFFECT OF AMENDMENT:

-3 Replaces measure. Directs the Oregon Health Policy Board (OHPB) to study the cost and feasibility of policy options to ensure access to health care for people who are uninsured, including the recommendations of the Joint Task Force on Universal Health Care and the Oregon Health Authority's Public Option Implementation Report. Directs the OHPB to report back to interim committees of the Legislative Assembly related to health, with recommendations for legislation if needed, no later than September 15, 2024.

-7 Replaces measure. Removes provisions establishing a board in the Department of Administrative Services. Establishes a Universal Health Plan Governance Board in the Department of Consumer and Business Services (DCBS). Removes provision for compensation of board members as full-time employees, allowing only for reimbursement of actual and necessary expenses. Directs the Governance Board to appoint an executive director to contract with consultants and hire staff to provide policy analysis and administrative support. Directs the Governance Board to recommend a plan, including creation of an independent public corporation and a trust fund separate from the general fund. Directs the Governance Board to evaluate how to work with the nine federally recognized Indian tribes in Oregon regarding health care and health insurance. Directs the Governance Board to make annual reports to the Legislative Assembly on December 1 of each year, beginning in 2024, and to present to the interim committees of the Legislative Assembly related to health, no later than September 15, 2026, a

This summary has not been adopted or officially endorsed by action of the committee.

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comprehensive plan for the implementation of the Universal Health Plan.

-8 Incorporates proposed -7 except for a specific provision specifying that abortion would be covered.

BACKGROUND:

Senate Bill 770 (2019) created the Joint Task Force on Universal Health Care (Task Force), charging it with making recommendations for system of state-based universal care. Oregon's current health care system has multiple public and private funding streams. People in Oregon are enrolled in a wide range of insurance plans with varying levels of coverage and disparate provider networks. Concerns about the existing health care system were identified by the Task Force in its process of public engagement with different Oregon communities and industry groups ([link](#) to Task Force public engagement reports).

In its report to the Legislative Assembly, the Task Force offered a blueprint for a system of state-based universal care ([link](#) to Final Report). All people who live in Oregon would qualify no matter their job, income, immigration status, or tribal membership. Benefits would be based on those that public employees have now. Instead of paying deductibles, co-pays, or premiums, individuals, households, and employers would pay new taxes based on their income and payroll wages. The Task Force engaged an actuarial consultant to estimate costs and revenues needed to fund the plan ([link](#) to actuarial analysis). In its Final Report, the Task Force recommended that a governing board be established to develop plans to implement a system of state-based universal care in Oregon.

SB 704 establishes the Universal Health Plan Governance Board and directs it to design an administrative structure for the Universal Health Plan, to assess the readiness of institutions and infrastructure to carry out the plan, and to present to the Legislative Assembly a comprehensive plan for implementation of the Universal Health Plan.