

Submitter: Bob Weinstein
On Behalf Of:
Committee: Senate Committee On Health Care
Measure: SB704

Bob Weinstein
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I oppose SB 704.

I am a senior citizen living in Portland, and currently have medical coverage through Medicare. I retired after many years of public employment in Alaska. My PERS-equivalent benefits include medical insurance (now secondary to Medicare) as well as dental, vision, and prescription coverage. I am quite happy with Medicare under federal management, and I do not need any supplemental coverage as envisioned in the proposed plan.

In discussing out of state public retiree benefits with your legislative staff, I was advised that this was never considered. It needs to be before moving forward.

Medicare

The Medicare single payer health coverage is working well under federal management at a very low cost of 2%. No individual state, especially a small state like Oregon, can administer medical costs for Oregon seniors at 2%. Medicare's ability to negotiate provider, medical device, drug prices, and other costs is due to the buying power for 68 million seniors. The state of Oregon would have significantly less ability to influence prices with only 900,000 seniors covered. Medicare is set up to coordinate with secondary plans, both private and those provided as part of PERS-type pension benefits for retirees from other states. For example, part of my Alaska public employee pension benefit includes : health coverage secondary to Medicare; a prescription program better than Medicare Part D; and dental and visual coverage. Those benefits cannot be reduced as they are constitutionally guaranteed similar to how Oregon PERS benefits are protected. Neither CMS nor Congress are likely to approve a state takeover of Medicare. Other states cited in the report were unable to obtain such approval for a variety of reasons.

Oregon higher administrative costs and lesser ability to control medical costs compared to federal Medicare will eventually lead to higher taxes for Oregon seniors.

Employer Health Plans

As the report clearly states, federal ERISA preempts state regulation of private employer insurance plans, which the report notes “currently cover nearly half the people of Oregon.” Any attempt to override ERISA or implement a payroll tax on employers invites years of political controversy, uncertainty for employers and employees who like their current health coverage, and years of robust lawsuits that will go all the way to the US Supreme Court.

It makes no sense to replace employer health coverage with which employers and employees alike are happy with a new unproven health plan of unknown costs and benefit coverage.

Oregon Health System Debacles

Oregon’s track record of implementing new complex systems, in health and other systems, does not inspire confidence. Examples include:

The \$300 million failure to implement Cover Oregon, the state ACA exchange;
The inability of the OHA to successfully plan, and implement with adequate computer capacity, Covid vaccinations for seniors in Portland; and
The meltdown- caused by a computer system problem- at Oregon’s Employment Department that left tens of thousands of jobless Oregonians stranded for weeks or even months during the pandemic.

How can we believe that Oregon health agencies can successfully implement this plan which is multiple times larger and more complex?

Conclusion

The proposed plan is too grandiose, politically impractical, subject to lengthy and costly litigation, too elaborate and large for Oregon health agencies to implement, and will prove to be more costly than projected.

In closing, I support a universal health care system, but it can only be done cost effectively by the federal government as Medicare has proven.

Sincerely,

Bob Weinstein