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Oregon Senate Rules Committee
900 Court Street
Salem Oregon, 97301

Re: Letter of Support for SB 1089
Establishing Universal Health Plan Governance Board

Dear Senators,

I am a resident of Keizer Oregon, and I am also the owner of a small business that serves the Salem/Keizer and Woodburn areas. In my experience as a small business owner with 10 employees I have found that one of the greatest hurdles to efficient business management is the specter of ever-increasing premiums, red tape, and paperwork associated with providing health insurance to my employees. Also, as a lawyer whose business has represented thousands of injured Oregonians, virtually all of whom had to deal with medical bills and insurance companies, I have seen how the current system has caused catastrophic hardships to the uninsured, the underinsured, and even to fully insured Oregonians that need medical care.

For the following reasons I would urge you to support SB 1089 regarding the creation of the Universal Health Plan Governance Board.

BACKGROUND

On November 8, 2022, the voters passed Measure 111, amending the Oregon Constitution. As a result of its passage the Oregon Constitution now states that "It is the **obligation** of the state to ensure that **every** resident of Oregon has access to cost-effective, clinically appropriate and **affordable** health care **as a fundamental right.**" (emphasis added). This constitutional amendment was passed by the Oregon Senate on March 18, 2021, passed the Oregon House of Representatives on May 19, 2021, and became law upon passage by the voters. It is absolutely part of the supreme law of the state and the legislature does not have the right to simply ignore this part of the constitution or act as though it was not passed.

It is important to note that SB 1089 does NOT create a universal health care system in Oregon. It does NOT give every Oregonian healthcare insurance or raise taxes. Instead, SB 1089 takes the approach of simply creating a board to study the issue and come up with a plan to propose back to the legislature no later than September 15, 2026. The legislature would still have an opportunity to study, discuss, debate, modify, approve, or reject the plan (and funding for the plan) after the plan is presented. By passing a bill that will only study the issue and provide a viable plan for the senate to consider later, Senate Bill 1089 is the absolute minimum response that the state can do to acknowledge the new constitutional obligation created by Measure 111.

1. THE FINAL NET COSTS OF UNIVERSAL HEALTH CARE NEED TO BE STUDIED AND KNOWN BEFORE WE CAN DETERMINE IF WE CAN AFFORD UNIVERSAL HEALTH CARE. THAT REQUIRES THE PASSAGE OF SB 1089.

I have heard opinions by my Senator and others that the “costs of creating a universal health care system would be immense.” Such opinions are premature as we do not have a proposed plan yet to evaluate the costs. Presumably, the Board would be very conscious of costs and would strive to gather together as many state and federal existing resources as possible to help fund the program (like we did when we created OHP) before asking for any additional funding from any new sources. Finding out whether or not the actual proposed plan’s net costs would be “immense” or if it results in substantial savings compared to our current system are some of the questions that would be answered by the Board if they are allowed to do their job and present a plan for review.

As evidence for her negative opinions on this topic, my senator cited the legislative task force on universal health care’s estimate of 54 billion dollars. While it is true that this was the estimate that the task force projected, that 54-billion-dollar figure must be viewed in context of the current system costs which was estimated to be 55 billion. In fact the task force’s bottom line was that a universal health plan “is estimated to cost less than the current system while providing more benefits to more people.”

Only after SB 1089 is passed will the Board of Governors be able to create a plan that can be studied. After a plan is created, we will then be able to know its specific costs, benefits, and potential savings. Only after we see the plan will we know who will pay for any unfunded expenses that will not be paid from current and anticipated state and federal health care allocations. Only after we have an actual plan will we be in a position to debate whether or not we can afford universal health care and if it is the right path for Oregon to meet our new constitutional obligations. This is why we need the Board to complete this essential work as soon as possible. This is why we should pass SB 1089.

2. OREGON IS WELL SUITED TO IMPLEMENT UNIVERSAL HEALTH CARE.

I have heard concerns that universal health care is too novel, large, and complex for Oregon to do successfully. Nothing could be further from the truth. In fact, universal health care, in many ways, is simpler than the current system and Oregon is uniquely qualified to pioneer universal health care just like it has pioneered many other transformative programs.

a) **Transition to Universal Health Care will be a Challenge but it Also Could Make Many Areas of our Lives Simpler.**

It is true that any change in the status quo will require some adjustments and will result in some complexity. However, any discussion of the “complexity” of universal health care needs to be in the context of the fact that universal health care also has the potential to actually simplify many of the complexities that exist in the current system.

In the current system, medical providers in Oregon have to deal with dozens of paying agencies and insurance companies, each with their own rules, coverages, allowances,

deductibles, co-pays, preferred provider groups, and paperwork requirements. Medical providers have to deal with insurance company adjusters with the power to second guess their decisions in treating their patients based on arbitrary criteria that varies with each insurance company. Some insurance companies often require multiple reports to pay a single bill and, even then, many bills are denied. Due to the complexities of navigating the red tape of multiple insurance systems, many physicians waste a great deal of time dealing with insurance companies instead of treating patients. Some doctors have to hire staff solely to just deal with the paperwork and red tape of dealing with so many payors. All of this work could be immensely simplified by a single payor system as most medical providers are already accustomed to submitting bills to taxpayer funded insurance (such as Oregon Health Plan and Medicare). In other words, dealing with one payor, rather than many, is far less complex and simpler.

In the current system many uninsured people use first responder and emergency services for their basic medical needs. A universal health care system, however, will simplify and unburden emergency services so that those services will be more available to promptly treat more patients with actual emergencies. This is because the uninsured would have their medical needs met with their primary care physicians.

Some claim that the universal health care transition would be difficult for patients. However, the “transition” for the average patient would be as simple as giving a different insurance card to their regular private health care provider and not paying the deductibles and copays. Of course, not worrying about how to pay for large medical bills also simplifies the lives of patients. Even OHP patients’ lives will be simplified as they will no longer have to limit or track their income from all sources in meticulous detail to ensure that they do not disqualify themselves from OHP insurance.

Opponents of universal health care may contend that the transition would be difficult for businesses and their employees. However, universal health care would be far simpler for workers and employers. Employers’ workloads will be simplified as they will no longer have to deal with health insurance plans, payments, and paperwork. Employees will not have to fight their employers in negotiations and make tradeoffs between health benefits and pay raises. More full-time jobs would be available because employers would not be penalized for hiring full-time staff by being required to pay health insurance. Having more full-time jobs means less people having to take multiple part time jobs to make a living that would simplify the lives of workers and employers alike.

In many ways universal health care is even simpler to administer for Oregon than OHP. For example, one of the most complex tasks of the Oregon Health Plan is determining who is qualified for coverage and who is not qualified depending on income levels. This evaluation needs to be done for all of the hundreds of thousands of Oregonians who are on the Oregon Health Plan. This task is especially difficult as incomes are constantly changing and are often hard to document. The current system is also complicated further because some people hide income in an effort to qualify for, or to stay on, OHP. This complexity would be eliminated with universal health care.

Another complexity we have in the current system is the problem of determining the responsible insurance company for medical treatment for injuries. A great deal of time and money is diverted from medical care dollars to deal with these issues. Depending

on how the Board decides to design the plan, it has the potential to consolidate coverages and potentially eliminate the need to distinguish between injuries caused in car accidents, at home, on the job, or from injuries suffered during service in the armed forces. Thus, a universal health care plan could reduce litigation between insurance carriers. It may also reduce the number of personal injury claims and reduce court backlogs; In my experience, many of my clients have told me that they would never have even considered hiring a lawyer for a car accident claim if they knew all their medical bills would be paid.

The ripple effect of a Universal Health Insurance plan in simplifying so many aspects of our lives cannot be overestimated. All of these complexities can be eliminated or simplified by passage of a good universal health care plan. However, we will never know unless we pass SB 1089.

b) Oregon Government Employees have Proven They Can Handle Universal Health Care.

In a time of crippling government gridlock, the argument that “the government is too incompetent to do anything right” is a favorite of many people. In this case such an argument is based more on anti-government rhetoric than fact. Universal health care, in one form or another, has been successfully implemented by governments in virtually every other industrialized democratic nation in the world and no country has ever rescinded it for being beyond the scope, ability, or competence of any government.

Oregon has a great deal of experience in running massive new and innovative insurance programs, including the Oregon Health Plan, with a very high satisfaction rating from those covered by that program. Oregon also has a track record of creating and implementing entirely unique and new models for insurance coverage such as when Oregon created not-for-profit, state-chartered workers’ compensation company SAIF which has a long-standing successful history of handling worker’s compensation insurance claims.

Oregon has been a leader in successfully implementing innovative insurance programs. It is up to the task to lead the way in providing universal health care.

3. EXPANDING OREGON HEALTH PLAN FOR THE POOR AND KEEPING EMPLOYER BASED HEALTH INSURANCE BETRAYS THE CONSTITUTION, IS UNFAIR TO TAXPAYERS, AND DEPRIVES EVERYONE OF ESSENTIAL FREEDOMS.

a) The Constitution Matters.

Expanding the Oregon Health Plan (OHP) to include more, but not all, of the population does not ensure that every person will be able to access affordable health care as now required by the Oregon Constitution. There will always be a significant number of Oregonians in every age and income bracket who, for whatever reason, do not or cannot purchase health insurance and are surprised by catastrophic injury or illness and will be presented with insurmountable health costs that they will never be able to afford. Simply expanding the Oregon Health Plan to include more Oregonians of a particular income bracket does not solve this problem.

b) Simply Expanding OHP is Not Fair to the Taxpayers Who Have Been Footing the Bill for our Current Taxpayer Paid Health Care Plans but Who Have Been Denied Any of the Benefits.

Simply expanding OHP to cover more of the uninsured will not “fix the problem” because the problem with the current health care system is not limited to the uninsured and underinsured. Another group that is burdened by the current system that does not receive enough attention are the middle- and upper-income taxpayers who pay for all the publicly financed insurance programs in Oregon but do not qualify for any of its benefits.

It is fundamentally unfair to continue to expect hard-working taxpaying Oregonians to keep paying (through their state and federal taxes) for the ever-increasing cost of Cadillac health insurance programs for state workers and legislators as well as the uninsured, the poor, the young, the aged, and the infirm while we simultaneously deny these same taxpayers from getting any of the benefits from these programs they financed. The state and federal taxes paid by hard-working, tax-paying Oregonians pay for a seemingly ever growing list of free medical care that many taxpayers will never directly benefit from, including the Oregon Health Plan (which has no deductible, no copay, and is free to those it insures), the Oregon Children’s Health Insurance (CHIP) Program (which includes dental care), Obamacare tax credits, Medicaid (which now pays for children up to six years old regardless of family income after the initial enrollment), veterans benefits, and comprehensive health insurance plans for every state worker and legislator.

After paying for all of these excellent taxpayer financed insurance programs, the taxpayer is then expected to also pay for private health insurance for themselves and their family directly through premiums or indirectly through their employer-paid premiums. As an employer, I know that health insurance is part of a worker’s hard-earned compensation package even if the employer technically pays the bill. If you doubt this, just ask any business owner or union negotiator the amount of wages workers have sacrificed in order to allow the employer to pay expensive health insurance premiums on their behalf.

The typical taxpayer never gets a break and continues to pay taxes for what seems like “everyone else’s insurance” while they are simultaneously being burdened with constantly rising premiums for their own insurance for their entire working lives. Even when these taxpayers finally retire and are allowed to receive Medicare, which they have paid into their entire working lives, they are still required to pay a premium for basic Medicare and also are required to pay high deductibles and co-pays with Medicare Advantage, or they are required to pay premiums to insurance companies for supplemental insurance until the day they die.

To make matters worse, the private sector insurance policies generally cover less and have higher deductibles and co-pays than the taxpayer funded health insurance plans. To add greater insult to injury, the insurance companies consistently spend tremendous amounts of the taxpayers’ hard earned premium dollars on non-medical related expenses including distributions of profits to shareholders, advertising, conventions, exorbitant CEO salaries and money for insurance industry lobbyists who are working

tirelessly to try to convince politicians to keep their business model profitable at the expense of hard working Oregonians. It doesn't have to be like this, and it isn't like this virtually anywhere else in the world.

It is time for every senator who sees themselves as a "taxpayer watchdog" to stand up and demand that taxpayers also receive excellent health benefits like everyone else who receives insurance benefits at taxpayers' expense. It is time to allow the taxpayers to finally be covered by publicly funded health insurance that they have financed for decades. They should not be the only group consistently left out of these public programs. Simply expanding access and health care coverage to the uninsured population through the pre-existing Oregon Health Plan does not address this issue and, on the contrary, it increases the tax burden on Oregon taxpayers without providing them with any benefits. That is simply unfair.

At an absolute minimum, every taxpaying Oregonian should at least be able to see a real plan created by the Board under SB 1089 and be allowed to decide if it is in their best interests. We owe the taxpayers at least that much.

c) **Keeping the Current Employer Based Health Insurance System Deprives Oregon Workers of Many Freedoms Enjoyed by Workers in Virtually Every Other Modern Democracy in the World.**

In addition to being unfair to taxpayers, the current system deprives employed and fully insured Oregonians of many of the freedoms that are enjoyed by citizens in virtually every other industrialized democratic country in the world.

In Oregon, if you are insured through your employment, you do not have the freedom to simply leave that job to start your own business or to follow your dreams, or to take an extended vacation, or to travel, or to take care of the children at home. To do any of these things for workers with employer paid health insurance in the current system means risking your job, your insurance, your health, and the health of your family.

Changing jobs for the fully insured is also restricted as it usually means limiting your job search to full time jobs with only big business or big government as many small businesses and most part time jobs do not offer health insurance benefits. Because of health insurance concerns, many Oregon workers feel tied to jobs they dislike, or which even cause them pain. Some feel compelled to stay in jobs they dislike for the rest of their working lives until they qualify for Medicare, solely because their insurance is tied to their employment. I have known people who have felt compelled to work, or not work too much, to marry or not marry, to stay together or divorce, all primarily based on health insurance concerns. These are all restrictions on freedom.

In contrast, people in virtually every other industrialized democratic country in the world have many freedoms that are not enjoyed by most fully insured Oregonians. Citizens of other countries have the freedom to quit jobs they dislike without worrying about endangering the health or lives of family members. People in other countries have the freedom to start their own business, or take extended vacations, or travel even if it jeopardizes their jobs, without any concern about insurance. People in other countries have the freedom to take a stand at work against their boss without worrying about

being fired and losing insurance for their family. People in other countries can follow their dreams in their pursuit of happiness, wherever it leads, without any concern whatsoever about whether their pursuit of happiness would jeopardize their health or the health of their family.

We all talk a lot about freedom, including health care freedom, but I don't think it is a stretch to say that there is probably no single system we have in Oregon that restricts the real freedoms of Oregonians more than our current employer-based health insurance system. We can give all these freedoms that are enjoyed by workers all over the world to Oregonians if we just provide an insurance system that is not connected to employment. That means we need to fundamentally change the system, not just "tweak it." SB 1089 will take the first step to lay out a proposed plan that will disentangle health insurance from our jobs.

Fighting for freedom demands not just words, but action. Please fight for expanding the freedoms of all Oregonians by supporting SB 1089. People do not need the "freedom" to choose between competing insurance carriers nearly as much as they need the freedom to live their lives the way they want without risking the health and lives of themselves and their loved ones. Universal health care can give them that freedom.

At a minimum we owe Oregonians a chance to see a plan for universal health care so that they can make up their own minds as to whether it will increase their freedoms.

FINAL THOUGHTS

The Oregon Constitution now reads, in relevant part:

*"It is the **obligation** of the state to ensure that **every** resident of Oregon has access to cost-effective, clinically appropriate and **affordable** health care **as a fundamental right.**" (emphasis added).*

Every senator has taken an oath to support the constitution of the State of Oregon. The senator's oath is not just rhetoric or a quaint collection of empty words or promises. It is a solemn oath that requires every senator to know and actually support the state constitution, as written. For this reason, the oath requires every senator to at least recognize the obligation in our constitution created by Measure 111 and to do their best to at least try to support that obligation. The minimum action that the senate can take to support the new obligation stated in the constitution is to pass Senate Bill 1089 so that a plan can be developed and delivered to the senate for further study and reflection.

For all the reasons expressed in this letter and more, Please support SB 1089.

Respectfully submitted,

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