



SB 631 – the Health Care for All Oregon Act

The purpose of SB 631 is to “(a) ensure access to comprehensive, quality, patient-centered and affordable, publicly funded health care for all individuals living or working in Oregon to; (b) improve the public’s health; and (c) control the cost of health care for the benefit of individuals, families, business and society.”

The major problem addressed by the Act is that health care costs have been rising rapidly for a long time.

- Expenditures are expected to grow 50% more than the Oregon economy from 1991 to 2025
- All categories of health care costs have risen much faster than inflation, wages, or per capita income
- Prescription drug and health care administration costs have risen most rapidly

The rise in health care costs has led to hardships for individuals, families, businesses, and government.

- At least 500 Oregonians die each year due to economic barriers to accessing health care
- At least 8,000 Oregonians annually suffer from bankruptcy due to medical costs, even though 75% of them have insurance when their medical crisis begins
- With so much going to health care, businesses & government have too little for everything else.

SB 631 will attack these problems primarily by simplicity in health care financial administration.

- The publicly financed system will be universal – it will cover all residents
- It will be comprehensive – it will cover all medically necessary services
- It will be single-payer – only one set of rules for provider billing to follow
- All patients will be covered the same – unlike current differences between those covered by Medicaid, Medicare, private insurance, or not covered
- There will be no deductibles and copays

Besides administrative simplicity to control costs & improve equity, SB 631 includes other important concepts.

- Alternative methods for reimbursing health care providers will be investigated and implemented to create the best incentives for improving quality and efficiency of health care, including shifting the focus toward health promotion, primary care, and prevention, and away from more expensive, less effective later stage treatments
- It defines regional planning boards to continually address the conflict between providing sufficient services in rural areas and controlling costs, and to equitably fund capital improvements in health care delivery as needed

The expected benefits of implementing the plan described in SB 631 include:

- Enough savings to extend necessary services to everybody in Oregon
- Fraud reduction due to single-payer – savings estimated to be as large as 5% of total expenditures
- Savings due to greater market power when dealing with financially powerful providers
- Greatly improved equity – no differentiation between the various systems that might cover the patient
- Elimination of deaths and adverse health results due to economic barriers to health care
- Elimination of bankruptcies and other severe economic hardships due to medical costs
- Increased competitiveness of Oregon businesses, leading to 50,000 new jobs outside of health care, more than enough to replace the jobs lost in health care administration
- Overall decrease in Oregon health care expenditures as great as \$2,000 per person, and a reduction in the growth of health care costs to more sustainable levels

The next steps to continue moving towards controlling health care costs and improving equity include:

- Pass HB 2828 (the health care financing study bill) with sufficient funding to carry out a thorough study
- Use the study results to help guide us in designing a fair tax structure to provide sufficient funding
- Get guidance from successful systems worldwide – all other developed countries have systems that cost much less, and nearly all have higher participant satisfaction and get better health results
- Solicit stakeholder input and use in-state expertise to craft a bill that improves SB 631
- Consider incremental improvements that are in line with what we expect an eventual plan to include – possibilities include expansion of the prescription drug program to those paying with insurance, broadening Oregon Health Plan eligibility and health care for all children (HB 3517).