

Oregon board diagnosis: get health insurance for all

By **DON McINTOSH**
Associate Editor

For several months, six citizen committees have been hammering out a complicated plan to provide health insurance to uninsured Oregonians — all 600,000 of them.

Organized labor is well represented on the committees, which were authorized by the June 2007 passage of Senate Bill 329 by the Oregon Legislature. Governor Ted Kulongoski appointed the committee spots in October. SB 329, known as the Healthy Oregon Act, was sponsored by state senators Ben Westlund (D-Tupelo) and Alan Bates (D-Ashland).

The committees are supposed to make their recommendations public by the end of April, kicking off months of community meetings. Then a seven-member Oregon Health Fund Board will listen to public input and

sift through the committee proposals to make a final recommendation to the Legislature in October 2008. The Legislature will take it up in January when its 2009 session begins. And it's likely that Oregon voters will be asked to approve the result. If all goes according to plan, Oregon could have something like universal health coverage as of 2010.

But a great many details of how the program will work are still up in the air.

In its most basic form, the Oregon Health Fund envisioned by SB 329 will require all uninsured Oregonians to purchase insurance on something like an income-based sliding scale — and require all employers to contribute something to cover the costs. The poorest Oregonians would have their insurance paid for entirely, while the moderately low-income would get a

subsidy of some kind. And middle- and upper-income individuals would be able to buy insurance at rates more affordable than they are now. Insurers would not be allowed to deny coverage based on pre-existing health conditions.

That's the basic plan. But the Oregon Health Fund also has ambitions to be a kind of big-idea system-wide reform. SB 329 aims to restructure the way health care is delivered and paid for in Oregon so that the \$20 billion or so now spent annually on health care in the state could be used more efficiently and effectively.

It's a reform that has the potential to create big-time winners and losers. The job of the Oregon Health Fund Board will be to make sure all parties win and lose a little, or else the political backlash may kill the project before it gets off the ground.

The Oregon Health Fund Board will oversee the process and select from among the recommendations of the six committees and several task forces that are developing different parts of the proposal. The committee members aren't paid, but are assisted by a paid staff of eight number-crunchers and policy analysts overseen by Barney Speight, a widely-respected health policy expert and former Kaiser Permanente vice president.

Oregon AFL-CIO President Tom Chamberlain is labor's representative on the Board, which also has repre-

sentatives from business and community groups. The union movement also has representatives on most of the committees, and the labor folks all work together and meet periodically to coordinate.

Unions have a big stake in health care reform, both because they defend the interests of working people in general and because they're having to fight hard to hold on to the health benefits that union employers provide. And as much as 10 to 15 percent of premiums may be going to paying the cost of care for uninsured individuals who can't pay their bill. If Oregon can figure out a way to insure everyone, premiums for union-negotiated health coverage could go down.

In the SB 329 process, one of the most important, and contentious, committees has been the Finance Committee, which is supposed to figure out a way to pay for the plan, even though no one is sure how much it will cost. Ballpark estimates are that covering the currently uninsured would cost \$550 million a year. Money for the Oregon Health Fund would come from a number of sources.

"Everybody's going to pay," said

Maribeth Healey, executive director of the union-supported non-profit Oregonians for Health Security. "Individuals will pay, businesses will pay, government will pay. It has to be fair."

For starters, Oregon will be able to use the money it's already getting from federal programs for poor individuals (Medicaid) and children in low-income households (SCHIPS).

But how much of the remaining cost should be borne by employers, and how much by individuals, is a big debate on the committee. Employers would probably pay by means of a payroll tax. Employers that provide health coverage would get a rebate of most or all of the payroll tax. From the union perspective, that could be a boon, because union employers sometimes are undercut by competitors that don't provide health care benefits.

On the 18-member Finance Committee, the union voices are Operating Engineers Local 701 stationary coordinator Cherry Harris and Lynn-Marie Crider of Service Employees (SEIU) Local 49, and they're working to restrain the profiteers. That's because depending on how it's formulated, the

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