

December 1st, 2024

To: Interim Committees on Health, Chairs Senator Patterson and Representative Nosse
Fr: Helen Bellanca, Chair
Judy Richardson, Vice-Chair
Re: Status Report on the Progress of the Universal Health Plan Governance Board' work

Oregonians, like all Americans, have a right to high quality health care that is equitably delivered and financially sustainable. They enshrined that right in Oregon's constitution in 2022.

Despite Oregon's long history of innovative health care reform efforts, we are not there yet. Too many people cannot access the care they need, and that care often threatens their financial stability and the financial well-being of our state.

The 2023 Legislature passed, and the Governor signed, Senate Bill 1089, which created the Universal Health Plan Governance Board (Board). This legislation tasked the Board with developing a comprehensive plan to finance and administer a universal health plan for Oregon with a vision of covering everyone in a simplified system that costs less. The completed plan is due to the Legislature and the Governor by September 15th, 2026, and we present to you here the first of our annual status reports.

The Board has built a strong foundation of staff, policies, a detailed workplan with deliverables and a committee structure. We have appointed 47 members of the public to our committees, and we are engaging with technical consultants and policy experts. This Board is well positioned to undertake the essential tasks assigned in Senate Bill 1089.

However, we face substantial challenges. Agreeing on a plan to overhaul the health care system in our state, changing the way every Oregonian accesses health care and every clinician provides it, and decoupling health care from employment are daunting tasks to say the least. We need a solid revenue plan that is feasible, legal and sustainable. We need to have buy-in from legislators, large and small businesses and the health care industry. We need to convince the public that this change will be for the better. And we need to do it all in less than 2 years.

We are off to a good start, and we hope to have the continued support of legislators as we move into the next phase. We are committed to working hard to deliver what the legislature requested in SB 1089, and we hope this initial progress report demonstrates that commitment and our optimism for success.

Respectfully submitted,

Helen Bellanca

Judy Richardson

Introduction

“If we can really understand the problem, the answer will come out of it, because the answer is not separate from the problem.”

Jiddu Krishnamurti *Life Ahead: On Learning and the Search for Meaning*

The Universal Health Plan Governance Board (UHPGB) is the result of years of advocacy and work by the people of Oregon and legislative members to address a broken health care system and find a new way forward. As the board works to develop a plan to finance and administer a Universal Health Plan for Oregon, it does so with a focus on addressing the following problems:

- Oregon’s current health care is inefficient, expensive, and complex. It relies on multiple private, public, and taxpayer-subsidized insurance plans. It relies primarily on employment for health care insurance and access. It uses different benefits, different provider networks, and different insurance plans. Each year thousands of Oregonians are without insurance when their employment or family status changes.
- Health care in Oregon is inequitably delivered. Too many Oregonians endure unequal access, varied care quality, and wide-ranging outcomes because of race, age, income, geography, or insurance. High health care costs generate debt and bankruptcy for many Oregonians.
- There are far too many Oregonians who are still without coverage, unable to afford care and are foregoing needed medical, or dental care.

The bill that created the UHPGB, Senate Bill (SB) 1089, requires an annual status report delivered to the Interim Committees on Health. This status report includes a brief recent history of work toward universal health care in Oregon, the current work of the board, and an overview of the board’s work moving forward.

Recent history

Joint Task Force on Universal Health Care (joint task force)

SB 770 (2019) created the Joint Task Force on Universal Health Care (joint task Force), charging it with making recommendations for a functional single-payer health care system that is responsive to the needs of the residents of this state. Over a two-year period, the joint task force met for more than 250 hours, created six technical advisory groups, sponsored a Consumer Advisory Committee, and held 13 community listening sessions and business forums across Oregon to solicit guidance and input from hundreds of Oregonians across the state. The joint task force initiated a blueprint for a universal health care plan that accounts for and builds on Oregon’s legacy of health reform as envisioned in SB 770. The joint task force’s recommended plan includes:

- **Eligibility** for all who live in Oregon or who live out of state but work in Oregon.
- **Affordability:** There will be no copays, deductibles, or coinsurance.

- **Covered benefits** will be based on current Public Employees' Benefit Board (PEBB) benefits with expanded behavioral health benefits.
- **People who qualify for long-term supports and services** will continue to receive them through Medicaid and the Oregon Department of Human Services, with consideration of coverage for some skilled nursing and home health care.
- The plan will seek to address **social determinants of health**.
- **People who qualify for Medicare** will be covered by the universal health plan to the extent allowed by federal law.
- **Members of the nine federally recognized tribes** and tribal providers in Oregon will have the option to participate in the plan.
- **Health care providers:** The plan will work with any individual, group practice, or institutional provider (hospitals and health systems) that are licensed or authorized to practice in Oregon that provide services covered by the plan.
- **Provider reimbursement** will be paid directly, with the rates of pay set up by region with health insurance companies only able to offer insurance to cover benefits or services not offered by the universal health plan.
- **Employers and employees:** The plan will uncouple health insurance from employment.
- **Funding** will be from new revenue sources while protecting families and businesses from financial hardship.
- **Governance** of the plan will be by a nonprofit corporation.

In partnership with the Task Force on Universal Health Care, CBIZ Optumas developed estimated expenditure, savings, and revenue needs for a universal health care system. Revenue sources were compared under the current system where contributions for health insurance coverage that are provided through employers, or the insurance marketplace, to those under a single payer system where revenue would be replaced by employer payroll tax and household contributions in the form of a tax or premium contribution. The revenue projections reflected assumptions that Oregon will successfully capture expenditure contributions from the federal, state, and local governments.

Significant work remains. The UHPGB was recommended by the joint task force to continue the development and implementation of the recommended plan.

SB 1089

SB 1089 was passed by the Oregon Legislature during the 2023 legislative session and signed by Gov. Tina Kotek. The bill has two primary goals:

1. Establish the UHPGB to oversee the development of a comprehensive plan to finance and administer a universal health plan in Oregon.
2. Establish deliverables that must be accomplished in the development of the plan.

While the joint task force accomplished the major universal health plan design elements, it failed to develop a financing strategy that would fund the plan.

Current work

Recruitment for the UHPGB began in August 2023, and board member applications closed [November 2023](#). Gov. Kotek appointed the nine board members and they were confirmed by the

Oregon Senate in February 2024. The executive director was then hired and began in February, 2024. Additional DCBS staff members started in April 2024. The UHPGB consists of nine members, each serving a four-year term. Five members must have expertise in health care delivery, finance operations, or public administration, and four must be focused on public engagement.

The board held its first meeting in April 2024 and elected a chairperson, Helen Bellanca, and vice-chairperson, Warren George. In the first eight months, the board has accomplished the following:

- Developed and approved [policies and procedures](#) – The Board created policies and procedures to guide its work. New policies and procedures, once adopted by the board, will be added. Each year, the board reviews the policies and procedures and amends them as needed. The policies and procedures guide the board member selection process, term length and vacancies, board member responsibilities, and other important guidelines to promote transparency and create an effective work environment.
- Developed and approved a [work plan](#) – A comprehensive work plan was created and approved by the board in July to guide its work. The work plan consists of tasks, deliverables, and timelines for the board and subsequent committees to ensure that all work is completed by Sept. 15, 2026.
- Reviewed and approved guiding [values and principles](#) – The board recognizes the importance of equity in the significant task laid out in SB 1089. For this reason, the board created, discussed, and approved five overarching principles: (1) health equity; (2) maximize health; (3) fair distribution of medical resources; (4) minimize financial hardship for individuals and families from medical costs; (5) community sense of ownership and governance. Utilizing community input, the work group organized the values and principles laid out in SB 1089 into these five categories and created additional principles for its work.
- Increased foundational knowledge has been an essential element for board members throughout these initial meetings. The board has heard presentations from the Oregon Health Authority (OHA) on the current health care coverage landscape in the state; former task force/current board members on the work and recommendations of the Joint Task Force on Universal Health Care; board staff has provided information on current and past universal health care initiatives in other states, and on the four primary health system structures across the globe and how they are financed; and a presentation from the OHA Cost-Growth Target team on the creation, implementation, and takeaways of its work.
- Considered the recommendations of the Joint Task Force on Universal Health Care. The board engaged in a detailed review of each recommendation, incorporating some into a preliminary structure to further inform committee work beyond the tasks and deliverables of the adopted work plan.
- Committee creation and recruitment – The board developed, recruited for, and selected members of the public for committees that will complete the work to help research and develop plan recommendations. More than 160 applications were received and the board selected a total of 47 people to serve on the committees. The five committees are (1) Community Engagement and Communications; (2) Finance and Revenue; (3) Plan Design and Expenditures; (4) Operations; and (5) Transition and Implementation.
- Four of the five committees launched between October and December 2024:

- The Finance and Revenue Committee was the first to launch, with seven members. The Finance and Revenue Committee is tasked with evaluating revenue options for funding the plan.
- The Community Engagement and Communications Committee, with 12 members, was the second committee to launch. This committee is tasked with ensuring all required interested parties outlined in SB 1089 are consulted as the board weighs options for the plan. This committee will also keep the public updated on board work and provide an avenue for public feedback.
- The Plan Design and Expenditures Committee, the largest committee with 18 members, will work to create the plan structure while evaluating the expense of plan options. This committee will make these evaluations in line with cost-containment strategies and quality standards set by the board.
- The Operations Committee was the last to launch. This committee's 10 members will recommend the administrative structure in which the plan will operate. This will include research and recommendations on public corporations, federal waivers, information systems, and workforce.

Moving forward

The UHPGB has significant work to accomplish in the next 18 months. The work plan approved by the UHPGB sets a path forward beyond the work done by the Joint Task Force on Universal Health Care to meet the deliverables outlined in SB 1089. ~~While f~~Four of the committees created by the UHPGB have begun their work, ~~and there will be~~ one more committee ~~(Transition) will launch later in our timeline to follow.~~

The Transition and Implementation Committee – ~~The UHPGB has chartered and appointed the members to the primary four committees. During the discussions of the committees, the UHPGB decided to separate the work of Operations, Transition, and Implementation into an Operations Committee and a Transition and Implementation Committee, so that they would be two separate and distinct committees. Due to the nature of the work in that workstream, the Transition and Implementation Committee will need to come last after the other committees have their work well underway. Navigating the path from our current system to a new, simplified universal health plan with a different financial structure will be a complicated process. Understanding the cadence of work, the systems and staff that will need to be in place, and the timing of each step will require information that the board does not have yet. We anticipate convening this committee later in our process once more details are known, and we assume that many current committee members will transition to this committee to provide continuity.~~

Resources needed moving forward – The success of the UHPGB hinges on having the resources to support the five full-time staff members dedicated to this work – three staff members at the Department of Business and Consumer Services (DCBS) and two at OHA. These five core staff members are integral for much of the health policy and research that is needed to support the five committees of the board.

- DCBS staff members – The DCBS Agency Request Budget (ARB) for 2025-27 includes \$1.9 million in funding to support the work of the board and the three staff members at DCBS. This funding is crucial to fund the contractors, staff and basic infrastructure within the agency to support the UHPGB.
- OHA staff members – According to the budget report that accompanied SB 1089, the OHA staff members were only envisioned to be limited duration through December 2025. OHA staff members were initially envisioned to help with federal waivers work, readiness assessment of agencies, and transition. Due to the timeline set forth in the work plan, those tasks and deliverables will happen toward the end of the work plan, and OHA staff members will be needed beyond December 2025. OHA has committed to supporting the work of the board through September 2026.

Other resources identified by committees:

As the committees get started with the tasks they've been given by the board, and the deliverables outlined in Senate Bill 1089 the UHPGB will be asking the committees if they have the resources needed to get the job done. The UHPGB will be discussing this topic and will have a better sense of resources needed by January of 2025.

Challenges ahead:

~~The UHPGB is very aware of the legislatively mandated deadlines. The timeline over the next 18 months is aggressive to get the work done. It is worth noting that s~~Standing up the new Universal Health Plan Governance Board has taken more time ~~in getting the organization established~~ than board members or ~~advocates staff~~ would have liked. ~~Agency processes regarding procurement and limitations on board communication due to public meetings law have also slowed our progress somewhat. We are working to mitigate these challenges and still feel optimistic that we will complete our work on time.~~

Opportunities:

~~While acknowledging that getting a new board rooted in the work for the board, staff hired, work plan developed, values and principles established may have taken more time that advocates would have liked the board has made a lot of progress over the last seven months. Establishing four committees, recruiting members of the public and getting those committees up and running has been a huge undertaking and the work developing the universal health plan will be better served by bringing in the brightest minds in Oregon to tackle these big issues. We are excited to have welcomed members of the public to our committees, as they have already added much to our discussions. We have excellent resources with our current consultants, and we look forward to contracting with a revenue expert shortly. Our most important opportunity, though, is with the engagement we are embarking on with the business community, health care providers and the general public. We know that including more voices will make the Universal Health Plan as strong as it can be.~~