

Affordable Health Care for ALL Oregon Act HB3510
A Brief Introduction by Sam Metz, PNHP/ Mad As Hell Doctors

A.

Oregonians already spend more than enough health care dollars to provide comprehensive care for everyone. We don't receive this comprehensive care because of money we pay in private insurance premiums that is lost to administrative costs. The *Affordable Health Care for All Oregonians* (AHCAO) bill creates a new method financing that diverts all monies now spent on health care (both public and private) and redirects it to a publically accountable, transparent, not for profit agency covering everyone.

The estimated additional cost of comprehensive, universal health care is \$3 billion. The estimated savings by eliminating private insurance administrative losses is \$4 billion. Single payer health care converts administrative losses into more health care. It saves money.

B.

How can the *AHCAO* agency redirect current expenditures to finance its single payer fund?

The bill does not specify a tax program, but recommends a combination of personal income tax and business payroll tax. Here is an example.

The average family in Oregon spends 7% of its income on premiums, co-pays, and deductibles. This does not include medications, excluded conditions, or expenses beyond annual or lifetime caps. This spending would be replaced by a 5% income tax.

Thus the average Oregon family saves \$800 annually. In return, families receive comprehensive, no deductible, no co-pay, all medications included health care regardless of age, employment, state of health, or income.

The average business in Oregon providing health care benefits spends 12% of payroll on benefits. This excludes an added 3% of payroll to administer benefits. These payroll expenditures would be replaced by a 12% payroll tax.

Thus the average business will see its costs decrease.

C.

How will *Affordable Health Care for All Oregon* affect Oregon's business environment?

State and local governments spend 20% of payroll on health care benefits. A reduction in payroll expenses from 20% to 12% saves \$200 million in state and local budgets.

With more Oregonians enjoying access to health care, an estimated 35,000 new jobs will be created, mostly high paying jobs generating significant tax revenue. In contrast, it is unlikely

that more than 20% of the 25,000 Oregonians in the health care industry will lose their jobs. The bill provides funds for retraining these 5,000 people for the 35,000 new jobs created. And these Oregonians enjoy health care access no matter how long their retraining lasts.

Out of state businesses will consider relocating to Oregon because labor disputes over medical benefits will disappear. Human Resources costs decrease because employers need not administer health care benefits.

New business creation will be enhanced as entrepreneurs are freed from old jobs kept only for health care benefits.

Workers in Oregon will have comprehensive coverage whether they are part time, full time, retired, unemployed, or disabled.

Automobile, homeowners, and business insurance premiums decrease as the need for medical liability coverage decreases.

D.

The *Affordable Health Care for All Oregon* has significant advantages over our current reliance on private insurance companies for health care financing.

1. It reduces the state budget deficit.
2. It creates new jobs.
3. It improves Oregon's business environment.
4. It provides every Oregonian with comprehensive health care regardless of health, wealth, age, or employment.
5. It achieves all this with no more money than we spend now.