

Responses to potential objections to Affordable Health Care for All Oregon Act of 2011.

Why is this Plan needed after federal PPACA legislation was passed?

The federal legislation was patched together as a compromise to attempt to solve the current health care crisis, but it is not credible as a long-term solution. It will not provide health care to all Oregonians. It will not reduce the total cost of health care, which will continue to rise. It will not improve public health. It will continue to pour health care dollars into the pockets of private insurance companies instead of using them to treat the sick. This legislation, though well intended, achieves nothing that to prevent Oregonians from suffering medically and financially from an obsolete health care system financed through private health insurance.

A single payer plan would ration health care.

Our health care is already rationed by private insurance. The sole basis is ability to pay. Any citizen with unlimited funds can purchase unlimited health care. Citizens with less than unlimited funds get only as much health care as they can pay for—but no more. This single payer plan will guarantee all Oregonians have access to medical care regardless of health, wealth, or employment, and will make rational science-based decisions on what benefits will be covered.

Researchers at Harvard Medical School estimated in 2009 that 45,000 people died from lack of medical care because they did not have insurance.

In other countries and in American systems using a single payer format (such as the VA), citizens see their physicians two to four times as frequently as do Americans using private health insurance; additionally, they spend more days per capita per year in hospitals. Clearly people in single payer systems get more care, not less, than those in our current private insurance system. And report after report shows that people in single payer systems are healthier than Americans.

Why should I (or the state of Oregon) pay for other people's health care?

You already pay for other people's health care. Every time a patient receives "free" medical care in emergency rooms to treat a preventable complication, we pay through increased premiums and taxes. If we provide "free" primary care to these patients to prevent the complications in the first place, we save money. That's the cost-savings with universal single payer care.

Why will the Affordable Health Care for All Oregon Act have a chance with the 2011 legislature, when the single payer Ballot Measure 23 was so resoundingly defeated in 2002?

In the nine years since, the health care problem has become a health care crisis. While Measure 23 was an excellent method of providing universal, cost-effective health care to all

Oregonians, most voters at that time had little understanding of the problem and those with health insurance had little motivation to change.

Voters and their elected officials will pay far more attention to a single payer proposal than they did nine years ago. The discussion of health care reform at the federal level has put the topic center stage and, at the same time, the financial crisis has brought home to more Oregonians just how insecure private insurance is. People who have lost their jobs have lost their coverage. Others who work for small businesses have found that their employers can no longer afford to provide insurance. Those who still have insurance are being asked to pay higher premiums. Today, voters appreciate that failure to act now will cause bankruptcies in their families and government. And the value of a single payer system is more apparent than it were nine years ago.

People in countries with national health care systems (e.g., Canada and United Kingdom) often don't like them for reasons that include long waiting periods for treatment.

It is a myth that people in countries with national health systems don't like them. A poll in 2008 found that 91% of Canadians preferred their system to a U.S.-style system of private insurance.

A recent study by the Commonwealth Fund showed that only 57% of US adults were able to see their doctor the same day or the next day when they were sick, compared with 70% of adults in the UK. The same study showed that one-third of Americans did not see a doctor at all or failed to fill a prescription because of costs, compared to 5% in the UK.

The US Veterans Administration is run very much like the British National Health Service. The VA cares for America's sickest patients with the best results at the lowest cost with the highest patient satisfaction of any American health care system.

Although each year several thousand foreigners travel to the US for elective health care, last year 1.3 million Americans traveled abroad for health care they could not afford here. The 2010 estimate is six million Americans will do so. Clearly, non-wealthy Americans depend more on foreign health care than foreigners depend upon ours.

The burden of a new payroll tax would destroy small business in Oregon.

National and state studies predict single payer health care will create new jobs and new businesses. Small businesses currently providing health care benefits using private health insurance will not see health care costs go up as they do each year. The absence of an unpredictable and costly health care obligation would attract outside businesses and enhance creation of new ones.

The Plan would cause huge increases in health care costs because it would cover any "medically necessary" treatment. It might even allow health care providers to declare facelifts and hair transplants medically necessary. Furthermore, the bill's language is not clear about the Board's ability to set limits on treatments covered. The Plan would

encourage over-utilization because, in the absence of gatekeepers, people would go to doctors far more than necessary.

Every country with a single payer system provides better care at lower cost than does the U.S., using private health insurance. This is also true of health care systems in the U.S. that do not involve private insurance, such as the VA and original Medicare. When people have access to low-cost primary care, fewer require high-cost tertiary care. When a health care system covers “medically necessary” treatments, health care costs decrease, not increase. And the bill as drafted specifically excludes cosmetic care and specifically makes the Board responsible for determining the medically necessary benefits, guided by evidence-based practices.

The Plan would offer a level of benefits that would be unsustainable. The proponents make inaccurate assumptions about current administrative costs and profit, as well as the potential for saving administrative costs.

Our current increase in health care costs is already unsustainable. Unless we change how health care is financed, health care costs will bankrupt individual citizens and our state government, and increasing numbers of businesses will find it impossible to provide health care benefits. A unified financing plan will enable us to control health care costs in the future, an option unavailable using multiple insurance companies with multiple patient pools.

Our preliminary estimates of administrative costs and profit are corroborated by every other state and national study of single payer plans.

Twenty-one hundred (2,100) independent insurance agents with an estimated annual payroll of \$350 million would immediately have no business and no jobs.

The bill as drafted includes funding for the retraining of workers displaced by implementation of the Plan. Based on single payer studies from other states and nationally, Oregon will enjoy creation of approximately 40,000 new jobs. Thus these 2,100 agents would be retrained and compete for the 40,000 new jobs. While they retrain, they and their families, like other Oregonians, would enjoy uninterrupted access to health care.

Some wealthy individuals would move out of the state to avoid additional taxes (e.g., Portland to Vancouver).

Most individual Oregonians, wealthy or otherwise, will weigh the cost of the added tax burden against the benefit of eliminating insurance premiums and out-of-pocket health care costs, as well as not having to worry about losing their homes or their lives because of unaffordable health care. We are unlikely to see a flight of Oregonians to other states.

Some large employers would leave the state to avoid new taxes.

Most large employers currently pay high rates for health benefits via private insurance companies. A payroll tax not only relieves them of this burden, it frees them from the cost of administering health care benefits and eliminates future labor-management disputes over benefits. We are more likely to see out-of-state businesses relocate to Oregon.

People with serious illnesses might move to Oregon to receive health care.

A single payer health plan in Oregon will attract new businesses, bringing new employees to Oregon, some of whom may have serious illnesses while others may well be healthy young people who will contribute to the health care fund more than they will cost. Likewise, some people with serious illnesses may move to Oregon whether they have a job or not. If neighboring states adopt similar single payer plans, as is possible, this trend would be lower. Regardless, estimates of this additional cost suggest it will not pose a threat to the financial stability of Oregon.

The new taxes would immediately halt the discussion of tax reform in Oregon because tax obligations would become so high that other forms of revenue could not be explored.

There is nothing in the Plan that impedes discussion of tax reform or new sources of state revenue. By reducing health care entitlement costs to the state, it encourages creative thinking about Oregon's state budget.

The Plan would create a legal morass because federal law (ERISA) grants employers wide latitude to create, manage, and change health plans. Oregon's authority to regulate employers in this area is limited. The Plan is also dependent upon additional waivers from the federal government (e.g., Medicare and Medicaid) that cannot be guaranteed.

This Plan requires our Congressional delegation to obtain waivers from a variety of federal laws including PPACA (the recent federal health care reform law). Senator Wyden has already voiced his willingness to lead this campaign.

The Plan would increase tax rates for almost all individuals. This is not an even trade-off between what individuals currently pay for health care and what they would pay in new taxes.

Taxes will increase but premiums and out-of-pocket payments will disappear. The plan changes health care financing from our current irregular, unpredictable, and inequitable system and replaces it with a combination of broad-based taxes that can be distributed progressively, predictably, and equitably. Per capita health care expenditures for Oregonians will not go up even though all of us get better care.

Highly paid specialists, such as neurologists and gastroenterologists, would leave Oregon for states where they could earn more money.

The change in the number of Oregon's medical specialists will reflect the change in demand. As more Oregonians enjoy access to primary care and fewer need tertiary care, we can expect to attract more primary care physicians and less specialty care physicians, but it is

unlikely that Oregon will be left with an inadequate supply of neurologists, gastroenterologists, and other specialists.

Better ways exist to improve utilization and affordability of health care including subsidies to low-income working people and expansion of the Oregon Health Plan.

No country or health care system has ever achieved universal cost-effective health care by fragmenting risk pools. The bigger the risk pool, the lower the cost. Separating those who depend upon the Oregon Health Plan from healthier, wealthier citizens and those lucky enough to get insurance through their employment perpetuates the fragmentation of risk pools that generates so much administrative waste. By including all Oregonians in a single risk pool with a single comprehensive set of benefits, we save far more money than we would otherwise spend on subsidies and on a separate OHP risk pool for the poor, the sick, and the underemployed.

There is no better way to provide universal cost-effective health care than with a single risk pool, free access to primary care, and not-for-profit financing.

Universal health care can only work on a national scale.

Canada's single payer health plan started in a single province. It was so successful that it was emulated by other provinces before it was ultimately promoted to a national system—but it is still based in each province and the plan varies a little from one province to another.

This Plan would put an inefficient government in control of our health care.

The draft bill provides that administrative costs of the plan will not exceed 12% in the first two years, 8% in the next two years, and 5% thereafter. Medicare overhead is under 4% while the administrative costs of private health insurance are 40%. Regardless of what one thinks of other government functions, our government is ten times as efficient as private insurance companies in the administration of health care. By eliminating private insurance companies from health care financing, we eliminate costs for lobbyists, marketing, and dividends of insurance companies, plus the costs of health care providers to collect money from insurance companies (who on average deny 30% of all first claims). We gain the economy of scale when many insurance companies are replaced by single agency accountable to taxpayers and transparent in its operation. Ultimately, we translate more health care dollars into actual health care.

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