

OREGON HOUSE REPUBLICAN OFFICE

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Oregon House votes to refer constitutional amendment with unclear fiscal impact Legislative Counsel: HJR 203 could "have enormous financial consequences for the state"

Salem, Ore. - On a party-line vote, Oregon House Democrats today voted to approve a proposal to amend the Oregon Constitution to establish a right to health care. Passed just 8 days after the start of the 2018 session, HJR 203 would amend the Oregon Constitution with enormous potential financial implications for the state.

In analyzing the potential impact of HJR 203, Legislative Counsel <u>wrote in an opinion</u> that, "Within the range of options available to the Legislative Assembly to ensure access to health care, one could imagine mechanisms that would have a minimal financial impact on the state as well as mechanisms that would have enormous financial consequences for the state."*

"It's clear from Legislative Counsel's opinion and from basic common sense that we have not had enough time to digest what this constitutional amendment would mean for our state," said Rep. Cedric Hayden (R-Fall Creek). "Clearly, we all want Oregonians to have access to basic health care services, but to advance a constitutional amendment that has the potential to radically change our state in ways we do not yet understand strikes me as incredibly risky. While the goal here is admirable, the cost and consequences could be astronomical."

An additional opinion from Legislative Counsel requested by Representative Julie Parrish (R-West Linn) further illustrated the risks associated with HJR 203. Legislative Counsel wrote:

There is always a possibility that the state could be sued for failing to follow a constitutional mandate, but we cannot say whether such a suit would be successful and, if so, what the maximum extent of the state's liability would be.

The proposed amendment itself does not specify how the state must ensure that every resident of Oregon has access to cost-effective, medically appropriate and affordable health care. Moreover, the proposed amendment does not require that the state provide such health care to every resident; the proposed amendment requires only that the state provide access to health care that is cost-effective, medically appropriate and affordable.

There is a range of options available to the Legislative Assembly to ensure access to cost-effective, medically appropriate and affordable health care. One could imagine mechanisms that would have minimal, if any, financial impact on the state, such as requiring providers to provide a certain level of charity care as a condition of licensing or limiting cost-sharing requirements

imposed by insurers, as well as mechanisms that could have enormous financial consequences for the state, such as creating a government-run health care program.

The League of Women Voters, traditionally a left-leaning organization, also raised concerns regarding the potential financial impact of the proposal. The group wrote, "The League cannot support an amendment for health care as a right because there is an implied state responsibility to provide the health care for all residents. This would commit the State of Oregon to expand funding to include health care coverage for all without the federal partnership. The State of Oregon has insufficient income to support its current responsibilities and cannot provide the added cost of health care coverage for all its residents at this time."

No fiscal analysis was conducted prior to the bill's passage.

HJR 203 passed the House by a vote of 35-25. The amendment now moves to the Senate for further consideration. Should it be adopted by the Senate, it would then go before voters at the November 2018 election.

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Copies of Legislative Counsel opinions and the League of Women Voters of Oregon testimony are attached to this release.