



## SENATE MAJORITY OFFICE

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### NEWS RELEASE

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#### **Senate votes to dramatically expand health care coverage for Oregon's children and most vulnerable**

*House Bill 2009 and House Bill 2116 will reform health care delivery and  
fund coverage for more Oregonians using \$2 billion in Federal matching dollars*

SALEM – Following through on a commitment to dramatically increase access to health care for children and the most vulnerable in Oregon while controlling costs for all, the Senate Democrats passed both HB 2116 and HB 2009 this afternoon. Together, the two bills will cover 95% of Oregon's uninsured children and extend coverage to an additional 35,000 low-income adults while instituting a reformed model of health care delivery for Oregonians.

"This may be the most important piece of legislation that we pass out of this building this session. This is a good deal for Oregon, especially Oregon's uninsured children – the vast majority of whom will now be able to visit a doctor and get the services they need," said Senator Alan Bates (D-Ashland), who co-carried both bills on the floor. "The prohibitive costs of health care are a major burden for many parents, some of whom are only one hospital visit away from bankruptcy."

HB 2009 replaces the current fragmented health care delivery system with a coordinated, streamlined approach, the Oregon Health Policy Board. This Board will oversee all health care functions, the implementation of expanded coverage, and institute reforms to contain skyrocketing costs. Reform measures include facilitating the adoption of electronic health records that will position that state to compete for millions of dollars Federal stimulus funding.

"Cost containment is a crucial piece of this package. Inefficiencies create high costs that affect everyone, from the business owner who wants to provide health insurance to the person who avoids preventative care because of the prohibitive costs of visiting a doctor," said Senator Laurie Monnes Anderson (D-Gresham), chair of the Senate Committee on Health Care.

The funding for expanding coverage for kids and low-income Oregonians will come from HB 2116. The funding plan has two components: an increased hospital tax and a 1 percent tax on the commercial insurance premiums collected by health plans and insurers. The hospital tax will fund the addition of approximately 35,000 adults to the Oregon Health Plan in the 2009-2011 biennium. In the 2011-2013 biennium that number

will grow to 60,000. The insurers' tax will fund medical coverage for 80,000 additional children by the end of the 2009-2011 biennium. The new state funds will allow Oregon to draw down nearly \$2 billion in federal funds for reimbursements to Medicaid providers, which will also increase under the funding plan.

"This legislation is proof of what we can accomplish by working collaboratively with our partners inside and outside the building," said Senator Betsy Johnson (D-Scappoose), who participated in the work group that negotiated the arrangement with hospitals and insurers. "With this bill we will be doing something that will fundamentally improve the quality of life for thousands of Oregon's children and most vulnerable while simultaneously lowering costs for everyone."

Giving uninsured Oregonians access to health care coverage is estimated to lower the burden of costs for all Oregonians over time, for those with and without health insurance. At the same time, this expansion of health care services will create an estimated 3,600 jobs.

"Expanding access to health care has never been more important in Oregon. With record unemployment, more Oregonians than ever are in need the health care coverage that this legislation will provide," said Senate President Peter Courtney (D-Salem). "These measures will help contain the rising cost of healthcare and create jobs -- two important steps toward surviving this economic crisis and preparing our state for prosperity in the future."

The final legislative vote of both HB 2009 and HB 2116 demonstrates a marked victory for Senate Democrats, who pledged to expand access to the most vulnerable Oregonians and work to control costs for all Oregonians. Both components of HB 2009 and HB 2116 represent follow through on key points of the caucus' agenda for the 2009 session.

"This legislation is a fitting example of the type of measure that crosses boundaries and makes our state strong," said Senate Majority Leader Richard Devlin (D-Tualatin). "This is a victory because of the jobs it will create, because of the number of children and vulnerable Oregonians it will cover, and for all Oregonians because of the savings it creates over the long haul. We made a commitment to make this happen and today we delivered."

Both bills now go to the Governor for his approval.

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