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To: Interim Committees on Health, Chairs Sen. Patterson and Rep. Nosse
From: Helen Bellanca, chair; Judy Richardson, vice chair
Re: Status Report on the Work of the Universal Health Plan Governance Board

[Letter from chairs]

Respectfully submitted,

Helen Bellanca, Chairperson

Judy Richardson, Vice-chairperson

INTRODUCTION

Oregon legislators created the Universal Health Plan Governance Board (UHPGB) in 2023 with the passage of Senate Bill 1089.¹ Now codified into Oregon law as ORS ch. 751, the UHPGB is charged with developing a comprehensive plan to finance and administer a universal health plan for Oregon residents.² The final plan is to be presented to the Legislature no later than September 15, 2026.³

In addition, the UHPGB must submit an annual status report to the Interim Committees on Health regarding the progress of the UHPGB in developing the comprehensive plan and any potential legislative changes.⁴ This report serves as the update on the UHPGB's progress in 2025, noting key accomplishments and notable decisions over the past twelve months, as well as pending work.

BACKGROUND

Oregon has a rich history of health care reforms designed to expand access and improve affordability. However, like the rest of the U.S., health care costs in Oregon continue to outpace inflation, consuming an ever-expanding percentage of state and household budgets. The current system is highly fragmented, relying on overlapping systems of employer-subsidized insurance, private insurance, federally-funded health care, and federally subsidized health care. The complexity results in an inefficient, expensive system that raises major concerns regarding equity.

The structure of the current health care system obscures many of the costs, often catching consumers by surprise and leaving individuals to face staggering medical debt. Lack of transparency and fear of unexpected costs results in some people foregoing necessary medical or dental care, despite having insurance. These pressures have led Oregon legislators and voters to increasingly examine how to simplify health care to offer financial transparency, predictability, and high quality, equitable access to care.

In 2002, a citizen-led ballot initiative known as the Oregon Comprehensive Health Care Finance Plan was brought forward. The measure would have created a financing mechanism using new individual progressive income and payroll taxes to help pay for medically necessary health services.⁵ Although the initiative was defeated, health reform efforts continued, and in 2013 the Oregon Legislature mandated the study of several

¹ [Senate Bill 1089 \(2023\)](#).

² ORS 751.002(2).

³ ORS 751.002(4).

⁴ ORS 751.101.

⁵ [Ballot Measure 23 \(2002\)](#).

financing options for health care, including a publicly funded single-payer system.⁶ The study found that a health care program covering all state residents could be achieved for less than the cost of the current system.⁷

Following the study on financing options, the Legislature established a Joint Task Force on Universal Health Care (JTF) to recommend the design of a universal health care system that would be equitable, affordable and comprehensive.⁸ The JTF concluded its work in 2022 with a series of recommendations for a framework to implement a universal health plan. The work of the UHPGB builds on that of the JTF, including a requirement to directly consider the recommendations of the JTF.

Finally, the work of the UHPGB is informed by passage of the Healthcare Options Provided Efficiently (HOPE) Amendment, also known as Measure 111, approved by Oregon voters in 2022. The amendment added language to the Oregon constitution establishing access to health care as a fundamental right. The Oregon constitution currently states:

*It is the obligation of the state to ensure that every resident of Oregon has access to cost-effective, clinically appropriate and affordable health care as a fundamental right.*⁹

It is in the context of these previous efforts that the UHPGB is proud to continue Oregon's history of leading the way with respect to health care access and reform.

UHPGB WORK 2023-2024

Following passage of S.B. 1089 which established the UHPGB, recruitment began for Board members, who were subsequently confirmed by the Oregon Senate in February 2024. The UHPGB held its first meeting in April 2024 and met a total of ten times over the course of that year. During that time the UHPGB accomplished the following:

- Developed and approved policies and procedures;
- Developed and approved a work plan;
- Developed and approved guiding values and principles;
- Increased board members' foundational knowledge;
- Engaged in a detailed review of each of the recommendations of the Joint Task Force on Universal Health Care;

⁶ [House Bill 3260 \(2013\)](#).

⁷ White C, Eibner C, Liu JL, Price CC, Leibowitz N, Morley G, Smith J, Edlund T, Meyer J., *A Comprehensive Assessment of Four Options for Financing Health Care Delivery in Oregon*. Rand Health Q. 2017 Jan 1;7(1):1. PMID: 29057151; PMCID: PMC5644767.

⁸ [Senate Bill 770 \(2019\)](#).

⁹ Oregon Constitution Article I, section 47.

- Created five committees to support the work of the UHPGB – (1) Community Engagement and Communications, (2) Finance and Revenue, (3) Plan Design and Expenditures, (4) Operations, and (5) Transition and Implementation; and
- Recruited for and convened the initial four committees.

UHPGB WORK IN 2025

In 2025, the UHPGB began to tackle the substance of designing the administrative and financing structure of a universal health plan. A new Board member – Mary Lou Hennrich – was confirmed in February to fill the open seat left by Warren George’s departure in September 2024. Board member Debbie Diaz resigned in the spring, and that empty seat was subsequently filled by Michael Leahy beginning in October, bringing the Board back to a full nine members.

The Board has met eleven times thus far in 2025, with an additional meeting scheduled for December. With the help of its committees, the Board has made significant progress over the past twelve months and is in a momentum-building phase. Key accomplishments from 2025 include the following.

UHPGB Operations

- The Board held a strategic planning session in May to review the work completed to date and establish priorities for the next twelve months.
- The Oregon Legislative Revenue Office (LRO) provided a comprehensive presentation to the Finance and Revenue Committee on the topic of characteristics of revenue sources, and supplied detailed responses regarding questions pertaining to statewide property tax, sales tax, personal income tax, and payroll tax.
- The Oregon Health Authority (OHA) is preparing a final report regarding state health care policy interactions with federal authorities, including information regarding federal waivers. OHA policy advisors presented on the topic to the UHPGB in October, and will provide the final report in December 2025.
- Health Management Associates (HMA) created memoranda on the topics of administrative savings assumptions under a universal health plan, federal waiver considerations, provider financial risk bearing, and presented an overview of key components of H.R. 1.
- Consultants EcoNW were brought on to support the Finance and Revenue committee with taxation and revenue policy support, strategies for new revenue;

revenue modeling, financial analysis of the impact of revenue options on large and small employers and households, and to develop modeling of policy options.

- Staff conducted an annual review of Board policies and procedures and presented the policies to the Board for ongoing approval. Workplans for all four active committees were updated to reflect current timeline and deliverables.
- Consultants Patty Wentz and Diana Blanco were contracted to assist with Communications and Community Engagement committee work.
- Consultant group Milliman was brought onboard to assist with actuarial analysis of benefit package costs, impacts to households and business, and estimated start-up costs.
- **Communications.** The Communication and Community Engagement committee developed a portfolio of resources to assist the Board including a style guide, messaging guide, and simple and detailed descriptions explaining the Board’s work. Board members also received training in public communication best practices.
- **Community Engagement.** The Communications and Community Engagement committee has completed substantial planning towards the public interest group engagement sessions planned for 2026. Key partners have been identified and rosters of questions developed to obtain critical feedback.
- **Preliminary Recommendations.** The Board considered and approved several preliminary recommendations on the administration and financing of a statewide universal health plan, which are outlined in detail below.

Administration of a Universal Health Plan: Preliminary Recommendations

- **Legal Entity.** In March, the UHPGB considered and approved a recommendation that a universal health plan be operated as a public corporation.¹⁰ Public corporations are public bodies that operate with a specific mission and with transparency to the public. A public corporation would allow the universal health plan to be structured as a non-profit entity subject to public ethics, meetings and records laws, while providing flexibility in organizing its financial structure, adherence to government contracting, procurement, personnel, and bonding laws. Designing the corporation to specifically serve the purpose, mission and goals laid out in the UHPGB’s final plan can be accomplished in statutory construction of the corporation. In the estimation of the Board, a nonprofit public corporation best

¹⁰ [Preliminary Proposal on a Public Corporation](#). Approved by the UHPGB March 20, 2025.

accomplishes the twin goals of autonomy of a universal health plan as well as accountability to the public.

- **Eligibility.** The UHPGB approved a recommendation regarding eligibility for a statewide universal health plan.¹¹ Special consideration was given to the question of coverage for students, incarcerated individuals, out of state workers, and the various definitions of residency. The UHPGB decided the definition of “resident” as defined in ORS 316.027 should serve as the basis for eligibility, which includes those who maintain a permanent place of abode in Oregon and spend more than 200 days of the taxable year in the state.¹² However, exceptions were proposed to accommodate individuals regardless of immigration or housing status as well as covering seasonal farmworkers, defined in ORS 652.145(2), while they are working in Oregon. Individuals who are incarcerated in Oregon, as well as out of state students attending school in Oregon will be covered due to the presumption they are residing in-state at least 200 days of the year.

The UHPGB proposal recommends that there is no waiting period for benefits, and residents can enroll when they move to Oregon or when they access care. Coverage for minors would be automatic when the guardian who claims them as a dependent signs up for care.

- **Out of State Coverage.** In its eligibility proposal, the UHPGB noted that people living in Oregon may at times require access to health care while out of state. Specifically of concern are the individuals who live in Oregon but work out of state and vice versa. To accommodate this population, as well as travel for all Oregon residents, the UHPGB recommends that a universal health plan contract with a national network that provides coverage options when outside of Oregon or direct some percentage of funds to providing subsidies for out-of-state Oregon workers to obtain health care coverage.¹³ This may require cost-sharing for out-of-state services, in contrast to services received directly under the universal health plan. To the extent other states have universal plans, reciprocal agreements should be considered.
- **Behavioral Health Benefits.** The UHPGB previously discussed a benefit level for a universal health plan equivalent to the Public Employee Benefits Board (PEBB) standard health plan. UHPGB members noted that benefits for behavioral health should ideally be closer to those currently available through the Oregon Health Plan (OHP). In March, the Board preliminarily recommended an expanded behavioral

¹¹ [Preliminary Proposal on Eligibility](#). Approved by the UHPGB June 12, 2025.

¹² ORS 316.027(1)(a)(B)).

¹³ [Preliminary Proposal on Eligibility](#). Approved by the UHPGB June 12, 2025.

health benefit as a policy for a universal health plan.¹⁴ This recommendation may be revisited pending further analysis on the financing of a universal health plan.

Financing of a Universal Health Plan: Preliminary Recommendations

- **Trust Fund.** The UHPGB preliminarily agreed that funding for a universal health plan should utilize a trust fund, separate and distinct from the General Fund, that operates under a “hybrid captive and exempt” model with a mix of private banking and captive Treasury management.¹⁵ The Legislature would need to ensure statutory language specifies that universal health plan trust fund monies will be held by Treasury, while also enabling the universal health plan to utilize non-Treasury options to facilitate flexibility.

The recommendation to structure a universal health plan as a public corporation was considered in this proposal, as a public corporation provides the requisite flexibility to organize the financial structure in this manner. Discussions with existing Oregon public corporations supported this recommendation, with those entities noting advantages in having access to resources such as the Local Government Investment Pool (LGIP) and investment and banking personnel. However, it is recommended that a universal health plan trust fund also include statutory exemptions (e.g., ORS 656.753) to allow the universal health plan to utilize non-Treasury banking services for increased flexibility.

- **Revenue-Raising Principles.** The Finance and Revenue committee, charged with drafting the initial financing plan for a universal health plan, developed and approved a guiding document of revenue principles and attributes of a sound financial plan to direct their decision-making.¹⁶ The principles include prioritizing approaches that are progressive, easy to understand, stable, predictable, and maximize federal dollars.
- **Primary Care Payment.** The UHPGB considered and approved a recommendation to reimburse primary care providers in a statewide universal health plan using the Primary Care Value-Based Payment model as developed by the Primary Care Payment Reform Collaborative, with at least 15% of total plan expenditures to be allocated to primary care.¹⁷ Under the recommended model, primary care would be reimbursed via four value-based components:

¹⁴ [Preliminary Proposal on Behavioral Health Benefits](#). Approved by the UHPGB March 20, 2025.

¹⁵ [Preliminary Proposal on a Trust Fund](#). Approved by the UHPGB June 12, 2025.

¹⁶ [Guiding Discussion Document](#), Finance and Revenue committee. Adopted by the committee January 10, 2025.

¹⁷ [Preliminary Proposal Primary Care Payment](#). Approved by the UHPGB August 21, 2025.

1. Prospective capitated payments for a defined set of primary care services that are widely performed by primary care practices, represent a preponderance of primary care spending, and could potentially be overutilized in the traditional model of fee-for-service;
2. Fee-for-service payments for all other covered services such as prenatal visits, end of life and advanced care planning, home visits and after-hours care;
3. Infrastructure per-member-per-month payments that include: 1) a base payment tied to PCPCH tier, and 2) additional payments for specific high-value services (including advanced care coordination and management efforts); and
4. Performance-based incentive payments based on an aligned set of quality measures.

UHPGB members felt strongly that setting aside a target amount for primary care of 15% would ensure that providers prioritize routine well-care and reduce utilization of more costly services. This amount builds on the 12% statutory target under current Oregon law.¹⁸ The PCPCH framework has been demonstrated to yield significant savings, which would support the cost containment and affordability goals of a universal health plan.

LOOKING AHEAD

Much work remains to be done, however, the UHPGB is strongly positioned to provide the Legislature with its comprehensive plan on the administrative and financing structure of a statewide universal health plan by September 2026. Current committee work is projected to continue through March 2026, at which point the Transition and Implementation committee will convene to guide the Board in a reconciliation process of all preliminary recommendations. Final recommendations are anticipated by summer 2026, providing time for staff to compile and complete the final report to the Legislature by September.

CHALLENGES

The design of a universal health plan is an immensely complex undertaking – one that if implemented would change every aspect of life in Oregon for individuals and employers. The Board has grappled with the sheer scope of its responsibility, and is grateful to the community partners and state agencies whose previous efforts provide the strong foundation upon which the UHPGB builds.

¹⁸ ORS 243.135(8); ORS 243.866(9); ORS 414.625(1)(c); ORS 743.010(1)(d).

- **Staffing Changes.** The UHPGB underwent a number of staffing changes in 2025; bringing on a new Executive Director in April, a new Executive Assistant in June, and a new Senior Policy Advisor in July. During the transition, the UHPGB was supported by interim Senior Policy Advisor Kim Yee on loan from the Oregon Health Authority. The overlapping transitions and onboarding for new staff were challenging, but the current team members have found their stride and bring the necessary experience to support the Board in its charge of designing a statewide universal health plan.
- **Timeline.** The timeline over the next ten months leaves little room for delay. Fortunately, at this point the UHPGB has a fully committed staff, necessary consultants under contract, and no significant delays are anticipated.
- **H.R. 1.** Most challenging for the work that remains to be done is the unpredictability of the federal government. The passage of H.R. 1 has created uncertainty regarding the availability of federal funding and threatens the significant gains Oregon has made in reducing the number of uninsured. The rapidly changing political landscape presents significant challenges for modeling future financing, particularly given the substantial role of the federal government with respect to Medicaid dollars.
- **Medicare.** Unpredictability regarding whether the federal government will entertain a Medicare waiver makes it difficult to plan for the logistics of implementing a statewide universal health plan. The UHPGB is approaching these challenges as best it can, and as recommendations are refined, secondary options will be provided to account for the different political realities that may or may not be present with a future administration.
- **Economic Uncertainty.** While the UHPGB anticipated financing of a universal health plan will redirect current payments and actually save money, those payments will be moving from a private transaction to public. The result is that tax amounts will go up, even as wages and private spending should increase by a comparable amount. In the current climate of high inflation, tariffs, and volatile economic policy at the federal level, the Board is aware of the perceptual challenges of proposing tax increases.

STEPPING STONES AND OPPORTUNITIES

While the current situation with federal government is challenging, it also represents the strength and value of continuing the work to develop a statewide universal health plan. Members and staff of the UHPGB have been inspired and humbled by the work that agencies within the Oregon Health Authority and Division of Financial Regulation have already done to tackle the many challenges of our current health care system. As Oregon

continues its journey towards implementing a universal health plan, we strongly urge the Legislature to consider the following opportunities to support a better health care system for Oregonians.

These “stepping stones” represent policy proposals that in many cases have been introduced by state agencies or health care system participants. Transitioning from our current system to a universal health plan will be a multi-year process, occurring in a stepwise fashion. The UHPGB believes that the following initiatives, already being discussed by others in the health care field, are essential to that transition. While powerful as a collection of ideas, importantly, each of these concepts independently improve the health care system for Oregonians.

- **Establish a Public Option for PEBB Plans to be Available on the Oregon Marketplace for Individuals and Employers.** A core element of the UHPGB’s plan for a statewide universal health plan is the concept that financing already exists, it simply needs to be redirected to a central point. The state already provides health plan coverage for a substantial portion of Oregonians, and as part of building to a universal plan it could take steps to bring more individuals and businesses into its central financing. By offering PEBB plans on the Marketplace, Oregon can organically grow its number of covered lives, increase the risk pool, and recognize greater administrative efficiencies. The public option can serve as a transition point for businesses that wish to provide health insurance in alignment with the benefit level targeted for a universal health plan. OHA has previously examined the viability of public optioning a Medicaid or PEBB/OEBB plan and found that such options aligned with the State’s goal of eliminating health inequities in the next ten years.¹⁹
- **Establish a Uniform Rate Schedule.** Establishing a uniform rate schedule for insurers offering an individual or small employer group health benefit plan in the state would rein in health care costs and help address equity and access issues for Oregonians. A proposal for a uniform rate schedule was brought forth in the 2025 legislative session, offering one potential framework for how this could be implemented.²⁰
- **Establish Hospital Global Budgets for State-Funded Health Care.** The UHPGB is tasked with examining the feasibility of paying institutional providers based on a global budget within a universal health plan. The Plan Design and Expenditure committee spent several meetings discussing hospital payment systems, global budgets and others, and overwhelming voted in favor of a universal health plan adopting global budgets as the predominant payment methodology for acute care hospitals. While the UHPGB’s focus is a single-payer system, Oregon could take steps to implement this provision now across the percent of covered lives enrolled

¹⁹ [Oregon Health Authority Public Option Implementation Report, January 2022.](#)

²⁰ [Legislative Concept 1995 \(2025\).](#)

in state-funded health care programs (Medicaid, PEBB, OEBC). Early implementation of global budgets will offer immediate improvements to the financial stability of Oregon hospitals as well as aid in cost containment efforts for state-funded health care.

- **Expand and Strengthen Oregon’s Purchasing Authority.**²¹ Oregon’s state government does not have the statutory authority to develop its own bulk-purchasing program. Oregon’s Prescription Drug Transparency Program recommends, and the UHPGB concurs, that the Legislature should enable a multistate purchasing authority on behalf of the state to realize greater cost savings when purchasing prescription drugs and durable medical equipment.
- **Centralize Medicaid and State Agency Pharmacy Purchasing.**²² Currently, the state Medicaid program delivery systems (fee-for-service and the 16 coordinated care organizations) separately purchase and manage prescription drug benefits, missing a significant opportunity to reduce costs and increase program efficiency. Adding to the fragmentation, public employee benefits, the state hospital, and adult and youth corrections, all separately purchase prescription drugs. Additionally, state health care entities are not required to take advantage of the prescription drug savings available under the Oregon Prescription Drug Program (OPDP). The UHPGB urges the Legislature to adopt the recommendation of the Prescription Drug Transparency Program and implement centralized pharmacy purchasing and coordination to ensure Oregon is leveraging the entirety of the state’s position in the marketplace. Additionally, state entities purchasing prescription drugs should be required to do so through OPDP, unless greater discounts and aggregate savings are available elsewhere.
- **Support the Passage of Emergency Medical Services (EMS) Modernization II Legislation.** In 2024, the Legislature passed House Bill 4081, also known as EMS Modernization, which established the foundation for updating Oregon’s existing EMS and trauma system. While an important step, H.B. 4081 was intended to be expanded by House Bill 3572, brought forth in the 2025 session.²³ UHPGB members urge the Legislature to prioritize passage of the EMS Modernization II bill in the 2026 session, as it addresses critical needs around emergency medical transport and includes provisions to allow ambulance providers to treat-in-place or transport to alternative destinations when clinically appropriate. Such measures would be a valuable steps towards reducing unnecessary medical costs and emergency department visits; demonstrating the state’s commitment to providing the right level of care in the right place, at the right time.

²¹ [Prescription Drug Price Transparency Program results and recommendations – 2024](#)

²² [Prescription Drug Price Transparency Program results and recommendations – 2024](#)

²³ [House Bill 3572 \(2025\)](#).

- **A Limited Safety Net for Long Term Services and Supports.** Under its current recommendations, a universal health plan would continue to provide long-term services and supports (LTSS), such as nursing home and certain community-based services, to Oregonians who currently qualify for them under Medicaid. However, more than just Medicaid recipients may require LTSS, and these services are notoriously expensive with only a small number of private insurers offering coverage. Washington state has developed a public LTSS safety net for LTSS, in which a small payroll tax provides each person with a limited lifetime benefit amount.²⁴ A similar policy in Oregon could offer security to those needing LTSS without needing to spend down their life savings before qualifying for Medicaid.

The Board thanks the Legislature for the opportunity to engage in this important work. We hope to serve as a resource for ongoing health reform efforts and look forward to presenting the final report on the administration and financing of a statewide universal health plan in September 2026.

²⁴ Rayna Stoycheva, PhD & Chloe Lepak, [Long-Term Care Policy Options – A Comparative Perspective](#), Harkin Retirement Security symposium, May 2025.