Oregon
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Universal Health Plan
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FREQUENTLY ASKED QUESTIONS

Regarding the Universal Health Plan Governance Board's Legislative Report
December 1, 2026

1. Why is the Board recommending a universal health plan for Oregon?

In 2022, Oregon voters amended the state constitution to recognize the right to affordable health care. Yet many Oregonians continue to face rising health care costs, gaps in coverage, and financial barriers to care. Coverage often depends on employment, income, or eligibility for federal programs, leaving people vulnerable when their circumstances change. The current system also requires providers to navigate multiple insurers, payment rules, and administrative processes, contributing to higher costs.

The board recommends a universal health plan as a way to provide more consistent coverage, reduce financial barriers to care, simplify administration., and save money. Once the plan is fully established, it is estimated to cost roughly 5% to 9% less than the current system, while providing better health care coverage for more people. The proposal would change how health coverage is financed and administered in Oregon, although significant policy and implementation decisions remain for the Legislature.

2. What is the proposed universal health plan, and who would run it?

The board proposes a statewide health plan that would provide a common set of benefits and consistent administrative rules for people living in Oregon. The goal is to simplify health care coverage and administration, although some federal programs and employer-sponsored insurance may continue operating alongside the plan.

The board recommends establishing a public nonprofit corporation to administer the plan. It would not be a state agency, and it would not be a private insurance company. Created by state law, the corporation would manage plan operations, with a governing board setting policy and overseeing the budget. It would be subject to public meetings, public records, and ethics laws. Regional offices would provide opportunities for local input and help the plan respond to community needs.

Funding would be held in a dedicated Universal Health Plan Trust Fund, separate from the state's General Fund, to support health care services and plan operations.

See the Administrative structure section of the report

3. Who would be covered, and what would change for me and my family?

Anyone who lives in Oregon could enroll. Eligibility would not depend on income, job, immigration status, or housing status. Each person in a family, including children, would have their own coverage. If you lose or change your job, your coverage would stay the same. You could see any provider who takes part in the plan for covered services. Providers who participate in the plan could not bill you for the difference between their usual charge and what the plan pays.

Benefits would be based on what Oregon offers public employees, with added behavioral health services. They would include doctor visits, hospital care, prescriptions, mental health and substance use care, maternity care, and dental and vision care. The plan aims to cover most, and ideally all, services with no deductible, copay, or coinsurance. New members would receive core services right away, including primary care, behavioral health, emergency care, and other medically necessary care. The full benefit package would become available after six months. Enrolling would be simple. Most people would be re-enrolled automatically each year through Oregon tax returns or other existing state records.

A few groups would have different rules. Members of federally recognized Tribes could choose to join but would not be required to. Traditional Medicare and other federal programs, including Veterans Affairs, TRICARE, and federal employee coverage, would continue under federal law unless federal changes authorized their integration. Employers could also continue offering their own health plans.

See the Proposed Model section of the report for more details.

4. Can I keep my doctor?

Yes, under the universal health plan, patients will be able to see any participating provider, with no network requirements.

5. How would the plan be paid for?

People in Oregon already pay for health care through premiums, deductibles, and copays, through wages held down by the cost of benefits, and through taxes. The proposed plan would replace much of these payments with dedicated health care contributions.

The Board's financial modeling assumes that existing federal and state funding, including Medicaid and Medicare, would continue. The remaining amount is called the Revenue Replacement Target. It is the amount new health care taxes would need to raise each year. For 2032, the report estimates between $30.0 billion and $39.0 billion annually, depending on expenditure assumptions. Modeling suggests total health care spending could be lower under the plan, largely through reduced administrative costs and changes to provider payments.

The board offers five revenue model options for the Legislature to consider but has not selected one. Each uses two main taxes, an employer payroll tax and a health care personal income tax, along with small increases to existing corporate taxes. Option 1 also includes a small lodging tax. The options differ in tax rates, income exemptions, and payroll tax credits.

6. I am on Medicare. What happens to me?

Medicare would continue as it does today. Bringing people on Medicare into Oregon's universal health plan would require federal approval, and it is not yet clear if or when that could happen. The board recommends that the plan pay Medicare Part B premiums for people whose premiums are not already covered by Medicaid.

Social Security income would not be subject to the proposed health care income tax. However, people with other taxable income might have to pay the new health care contribution, depending on their income level. Whether people on Medicare would have to pay the contribution before joining the universal health plan has not yet been decided.

7. I am on the Oregon Health Plan. What happens to me?

People covered by the Oregon Health Plan (OHP) would continue receiving coverage under the current program until any approved transition. Bringing OHP into the universal health plan would require federal approval, and the board has not yet decided when or how that would happen.

People eligible for OHP would continue to receive additional services offered by OHP today, such as long-term care and non-emergency medical transportation.

8. I can't afford my prescriptions. Would this plan help?

The proposed plan would cover prescription drugs, including specialty medications, and aims to cover most, and ideally all, services with no deductible, copay, or coinsurance. This could reduce what people pay at the pharmacy and help those who struggle to afford their medications.

To keep drug costs down, the board recommends a statewide drug strategy. It could include buying drugs for the whole state, having one list of covered drugs, using generic drugs when they work just as well, and stronger rules for pharmacy benefit managers, the companies that manage prescription drug benefits for insurers. See the Cost Containment section of the report for more details.

9. How would businesses be affected?

Businesses would help pay for the universal health plan through an employer payroll tax. Under all five financing options, businesses would pay no tax on their first $500,000 in annual payroll. The tax rate on payroll above that amount would depend on the financing option selected.

Employers could choose to continue offering health insurance to their employees or stop offering it. Either way, employees who live in Oregon would be covered by the universal health plan once implemented and the employer would still pay their portion of the employer payroll tax. How the universal health plan would work alongside employer-provided insurance has not yet been decided.

10. How would doctors, nurses, therapists, and other health professionals be affected?

Today, health care providers work with many different insurance plans, each with their own payment rates, billing rules, and approval requirements. Under the proposed universal health plan, providers would work with a more consistent set of rules, reducing time spent on paperwork, insurance calls, and collecting unpaid bills.

The public corporation would work with provider groups to set payment rates through a public process. Payment methods would vary by type of provider and service. The board recommends that at least 15% of the plan's spending go to primary care. Behavioral health would also be a core benefit, including expanded community-based and crisis services.

Some providers could see changes in how much they are paid. The board recommends further work to understand these impacts and help providers adjust, particularly in rural communities and areas facing health care workforce shortages.

See the Administrative Structure and Cost Containment sections of the report for more details.

11. How would hospitals, including small and rural hospitals, be affected?

The board proposes paying hospitals through global budgets. A global budget is a set amount paid to a hospital each year, based on past spending and updated annually. Hospitals would receive most of their funding through these budgets rather than billing separately for every service. This would provide more predictable funding and reduce the time and money hospitals spend on billing and administration.

For acute care hospitals, global budgets would eventually account for about 70% of payments, with the rest coming from payments for specific services and quality and performance measures.

Small rural hospitals, including critical access hospitals, would also receive global budgets. Their payments could cover a larger share of their costs and would account for rural access needs and essential community services.

The board recommends introducing global budgets gradually over three to five years to give hospitals time to adjust. Additional support may be needed for hospitals facing financial challenges, particularly in rural communities, to help maintain access to care.

See the Administrative Structure section of the report for more details.

12. How would the plan keep costs down?

Most of the savings would come from making the health care system simpler. Today, providers spend significant time and money working with many different insurance companies. The Board's financial modeling estimates that providers could save $4 billion to $5 billion a year on billing and related administrative work.

The plan could also reduce costs by purchasing prescription drugs for the whole state, investing in primary care, and reducing fraud and unnecessary spending. Oregon could build on existing efforts, including the state's health care cost growth target and Prescription Drug Affordability Board.

These savings would depend on how the plan is implemented, including changes to provider payment rates. The public corporation would monitor spending and report results to the public.

See the Cost Containment section of the report for more details.

13. Will the public have a chance to provide input on the proposal?

The board recommends broad public outreach during the next phase of work, if authorized and funded by the Legislature. This would give people across Oregon an opportunity to share their views on the proposed plan and the decisions that still need to be made, including how the plan would be paid for, what benefits it would cover, and how it would be put in place.

Public feedback will help guide the Board's future work and recommendations to the Legislature.

14. What comes next?

The board plans to ask the 2027 Legislature for continued funding and authorization to move forward with the next phase of work. This would include additional analysis of how the proposed plan could affect Oregon's economy, households, and businesses, further development of financing options, and broad public input on the choices that remain.

This work does not establish a universal health plan. The Legislature will need to take action on the Board's work in order to implement a universal health plan in Oregon.

The goal of this next phase would be to develop a detailed implementation plan and legislative package for consideration by the Oregon Legislature.