

# Universal Health Plan Committee Straw Proposal

**Committee:** Operations

**Date Submitted:** 3.13.25

**Date to be reviewed by the Board:** 3.20.25

**High level summary:** *(what does the end result look like?)*

The operations committee is providing the following information and recommendations to the board on the administrative structure for the Universal Health Plan. The committee is proposing the creation of a public corporation as the administrative structure. Public corporations are public bodies that operate with a specific mission and with transparency to the public. This proposal outlines the construction of Oregon's current public corporations, and makes recommendations based on that information.

Appendix A to this proposal provides Oregon statutes commonly included in or excluded from the language that creates the public corporation, the committee recommends that with the establishment of a public corporation the board, executive director, and legal counsel for the board carefully review each statute to ensure no statute would impede the function of the public corporation or the mission of the Universal Health Plan.

**Please see attached, the full proposal.**

**Focus of Recommendation:** *(what deliverable / workstream is aligns with this recommendation? What problem or question does the recommendation address? See Phase II workstreams below)*

This recommendation aligns with SB 1089 and Workstream 5: Recommendations on Administrative Structure

**Does the recommendation align with the preliminary structure of the Board?**

Yes, this recommendation aligns with #12 of the preliminary structure: the plan will be operated by a non-profit entity.

**How does this recommendation align with the values and principles of the Board?**

A public corporation has the ability to provide transparency and accountability, as well as public involvement and a sense of public ownership.

**How does the recommendation relate to the committee's deliverables?** *(if not, why?)*

This is the first deliverable of the committee.

**Recommendation Champion:** *(if not the committee chair. This is the person who will address board questions):*

Committee Chair Bruce Goldberg

**Dependencies:**

*(Will the work of other committees be impacted by this recommendation? If so, how and which committee? Do you need deliverables completed from another committee before this recommendation can be built with details? Does this recommendation build on previous deliverables completed by the committee or work completed by the board?)*

This recommendation will be impacted by most other committee work. The statutory structure that the board will need to create when the public corporation is created will need to include the structuring of finance and revenue, the structure how providers are reimbursed and future work of the operations committee, including the organizational structure and delivery of service by a centralized or regional system.

**Resources Needed:** ( What does the committee need in terms of Research / Needs to create detailed project plan?)

The committee will need legal counsel to assist in drafting and determining statutory structures.

The committee will require the assistance of the finance and revenue committee, and the Treasury Department to determine what type of fund and accounts the revenue and payment structure of the plan will require and if that structure is available within the Treasury Department

**Board Feedback:**

☒ **Approved: Board Agrees with the direction of this recommendation.**

☐ **Returned for revision. Please redirect your focus in the following way:**

## **UHPGB Operations Committee Proposal to the UHPGB**

### **Executive Summary**

The operations committee is providing the following information and recommendations to the board on the administrative structure for the Universal Health Plan. The committee is proposing the creation of a public corporation for the administrative structure. Public corporations are public bodies that operate with a specific mission and with transparency to the public. This proposal outlines the construction of Oregon's current public corporations, and makes recommendations based on that information.

Appendix A to this proposal provides Oregon statutes commonly included in or excluded from the language that creates the public corporation, the committee recommends that with the establishment of a public corporation the board, executive director, and legal counsel for the board carefully review each statute to ensure no statute would impede the function of the public corporation or the mission of the Universal Health Plan.

### **Introduction**

In its final recommendations, the Joint Task Force on Universal Health Care recommended a public corporation with a governing board as the administrative structure under which Oregon's universal health plan should be organized. In adopting the Preliminary Structure for the UHP, the board provided that the UHP would be overseen by a nonprofit entity. The UHPGB Operations Committee was tasked with reviewing other public corporations in Oregon to understand their administrative structures and to provide a recommendation on the administrative structure under which Oregon's universal health plan will operate. The committee undertook the review of the governing statutes of public corporations and heard from representatives from three of Oregon's currently operating public corporations – Oregon Health and Sciences University, SAIF Corporation and the Willamette Falls Locks Authority.

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.

### **Public Corporation Establishment and Purpose**

A public corporation, when created by statute and specifically designated as such, is a special government body as defined in ORS 174.117. Oregon has established four public

corporations: SAIF Corporation (1979), Oregon Health and Sciences University (1995), The State Fair Council (2013) and Willamette Falls Locks Authority (2021).

Unlike other corporations, including Oregon public benefit corporations and Oregon non-profits, public corporations are not established and registered through the Oregon Secretary of State's office. Public corporations, like state agencies, are created through legislation.

The statute establishing OHSU as a public corporation, Oregon Revised Statute (ORS) 353.010, provides the following definition for an Oregon public corporation:

“‘Public corporation’ means an entity that is created by the state to carry out public missions and services. In order to carry out these public missions and services, a public corporation participates in activities or provides services that are also provided by private enterprise. A public corporation is granted increased operating flexibility in order to best ensure its success, while retaining principles of public accountability and fundamental public policy. The board of directors of a public corporation is appointed by the Governor and confirmed by the Senate but is otherwise delegated the authority to set policy and manage the operations of the public corporation.”

This definition only applies to the statutes governing OHSU, but does provide a sense of the purpose for which public corporations are used. SAIF Corporation was the state's first public corporation. The establishing language in ORS 656.751(1) is one sentence simply stating, “The State Accident Insurance Fund Corporation is created as an independent public corporation”. When the state designated OHSU as a public corporation, it not only provided a definition for the type of entity, but created language to provide the purpose and authority of the designation and create a distinction from state agencies. This language has been carried through in the creation of the two subsequent public corporations. ORS 353.020 (OHSU), ORS 565.456 (State Fair Council) and ORS 196.205 (Willamette Falls Locks Authority) state:

“[Entity] is established as a public corporation and shall exercise and carry out all powers, rights and privileges that are expressly conferred upon the [entity], are implied by law or are incident to such powers, rights and privileges. The [entity] is an independent public corporation with a statewide mission and purposes and without territorial boundaries. The [entity] is a governmental entity performing governmental functions and exercising governmental powers but, except as otherwise provided by law, is not a unit

of local or municipal government or a state agency for purposes of state statutes or constitutional provisions.”

While this language is uniform throughout the three entities, the statutory construction of each entity is specific to their purpose, mission and needs. The public corporation provides a vast foundation for new government structures.

### **Statutory Construction**

While the specific requirements and duties of each public corporation differs based on the mission and purpose of the corporation, there is commonality in the exemptions from state administrative procedures, financial administration, personnel and benefit requirements generally applicable to state agencies.

Each of the four current public corporations have statutory construction wherein the duties of the corporation are enumerated in the statutes. Individual statutes are woven in to the programs as applicable to establish the level and areas of government oversight and support needed to achieve the program purpose.

Exemptions from statutory authority have a broad range and common threads. The three most recently established public corporations share several common exemptions from entire chapters of statutory law that govern state entity and state agency administration.

The final design of the universal health plan should be reviewed against these common exemptions to determine which of these exemptions would be necessary. Further review of additional statutory chapters would be required as well. Understanding the common exemptions among current public corporations will provide a starting point for consideration of what statutory requirements provide a benefit, and those that would possibly hinder the new plan.

While these are common exemptions, they may not be necessary or advisable for the universal health plan, and there may be other statutory provisions where the board will request exemptions. While the final decision regarding exemption from a statute will rest with the legislature, the precedent of public corporations being designed to suit the need of the program being created provides the board the best vehicle to tailor its request.

### **Conclusion**

In coming to recommend a public corporation as the UHP administrative structure, the Governance Technical Advisory Group of the Joint Task Force sought an entity that would be transparent to the public, subject to public records laws, public meetings laws and public ethics requirements. They stressed the importance of operational autonomy and

public accountability. Public corporations check each of the boxes, while also allowing for self-governed financial structures and budgeting, and inclusion in the PERS system, while not being subject to the state employee classification and compensation structures and exclusion from state procurement and contracting requirements.

### **Recommendation**

The Operations committee recommends to the board that Oregon's universal health plan be administered by a not-for-profit public corporation with the UHPGB as the governing board of that corporation.

The committee further recommends that the board explore with legal counsel exclusion from all laws that apply only to state agencies, and inclusion in all laws that apply to all public bodies when designing the public corporation.

The committee recommends further exploration of adherence or exemption requests related to financial structure and revenue collection be discussed by the Finance and Revenue committee as it completes its work for future consideration by the board and legal counsel. The operations committee will revisit statutes dealing with regional governmental entities as it completes its work on regional structures and provide further recommendations to the board to consider with the support of legal counsel.

## **Appendix A**

### **Common exemptions among Oregon's Public Corporations**

SAIF does not share all of these exemptions. SAIF exemptions are noted.

Chapter 182 – Executive Branch – State Administrative Agencies

Chapter 183 – Administrative procedures act

Chapter 240 – State Personnel Relations (SAIF)

Chapter 270 – State Real Property

Chapter 273 – State Lands Generally

Chapter 276 – Public Facilities (SAIF)

Chapter 283 – Interagency Services (SAIF)

Chapter 291 – State Financial Administration (SAIF)

Chapter 292 – Salaries and Expenses of State Officers and Employees (SAIF)

Chapter 293 – Administration of Public Funds (SAIF)

ORS 183.710 to 183.730 – (Administrative Procedures Act) Administrative Rules

ORS 190.430 – Attorney General to review agreements

ORS 190.490 – Approval of agreement by Attorney General

ORS 243.105 to 243.585 – (Title 22 Public Officers and employees) Health benefits, workplace harassment, deferred compensation

ORS 243.696 – Bargaining representatives for executive department state agencies, judicial department and legislative department

ORS 656.017 (2) – (Workers Compensation) Employer required to pay compensation and - perform other duties

### **Additional exemption considerations**

Chapters:

279A – Public Contracting – General Provisions

279B – Public Contracting – Public Procurements

279C – Public Contracting – Public Improvements and Related Contracts

282 – Public Printing

297 – Audits of Public Funds and Financial Records

Individual Oregon Revised Statutes:

180.210 to 180.235 – Department of Justice, powers and duties, AG representing public bodies in antitrust proceedings, compensation not allowed state departments for atty services, authority of agency to employ counsel

192.105 – State Archivist authorization for state officials to dispose of records

357.805 to 357.895 – State Archivist; public records