

**Measure Number:** IRR 401

**Subject:** Constitutional Amendment establishing Health Care as an Obligation of the State

**Government Unit Affected:** State of Oregon, local governments

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**Reviewed by:** George Naughton, Department of Administrative Services

**Date:** June 29, 2022

**Comments**

This referral amends the Oregon Constitution to establish that access to “cost-effective, clinically appropriate and affordable health care” is a fundamental right for Oregon residents. The referral offsets this provision by providing that the state’s obligation to provide health care to its residents must be balanced against funding for schools and other essential public services.

**Fiscal Impact Summary**

*Executive Branch Assumptions:*

As written, the referral does not require any additional direct state government revenues or expenditures. Additional direct state government revenues or expenditures to provide health insurance or to reduce the cost of existing health insurance would ultimately depend on legislative action.

If the legislature were to seek to implement the referral, preliminary estimates from the Oregon Health Authority are that the cost of implementing this measure would range between approximately \$14.3 billion and \$116.2 billion per biennium. At the lower end, \$14.3 billion is the estimated cost to cover the remaining uninsured in Oregon with a Medicaid level of benefits plus provide cost-sharing subsidies to those who are insured but who delay receiving care due to high out of pocket costs. At the upper end of the range, \$116.2 billion per biennium is the estimated cost of implementing the single payer system recommended by the Universal Health Care Task Force. Both estimates reflect the total fund cost of providing a specific level of benefit and do not reflect potential federal participation nor other potential revenue sources that might be used to offset the cost of either proposal. The estimates are provided for illustration only as the cost of any legislative proposal will depend on the specific policies adopted by that proposal.

*Local Government Assumptions:*

As written, the measure does not require any additional direct local government revenues or expenditures.

Local governments frequently provide health insurance to their employees and, in some cases, to former employees who have retired. More analysis would be needed on the potential fiscal impact on local governments if the state were to assume the obligation to provide health insurance to all Oregon residents. Any change in this regard would require legislative action.

*Tribal Government Assumptions:*

As written, the measure does not require any additional direct tribal government revenues or expenditures.

**Estimate of Financial Impact**

This measure will have no financial effect on either state or local government expenditures or revenues.