

November 2017 #17-21

Summary:

In January Oregonians have the opportunity to vote on new taxes that the state legislature and the governor want to impose on health insurance premiums and hospital services. While these and other taxes are meant to shore up state funding of Medicaid services to low-income Oregonians, it has become clear that the state has been misspending such funds for years.

Word Count 610

“...[W]e noted three ways that the state has mismanaged over \$650 million in health care funds entrusted to it by state and federal taxpayers. But, that may be far from the final number.”

Vote NO on Health Care Tax Measure 101

By Steve Buckstein

Oregonians will have the opportunity in January to vote No on Ballot Measure 101, thus rejecting new taxes that the state legislature and the governor tried to impose on health insurance premiums and hospital services. While these and other taxes are meant to shore up state funding of Medicaid services to low-income Oregonians, it has become clear that the state has been misspending such funds for years.

Voters' Pamphlet statements for and against Measure 101 were due by November 13, and Cascade Policy Institute submitted an Argument in Opposition which you can read below. In it, we noted three ways that the state has mismanaged over \$650 million in health care funds entrusted to it by state and federal taxpayers. But, that may be far from the final number.

On November 17, four days after the Voters' Pamphlet deadline, [Oregonians learned](#) that the state may have “erroneously paid, allocated, inaccurately recorded or over-claimed \$112.4 million in health care funds, according to a letter Oregon Health Authority (OHA) Director Pat Allen sent to Oregon Gov. Kate Brown. Allen also told state legislators that “the state was likely to see more processing problems come out of the state’s health agency.”

These revelations were too late for Cascade, or anyone else, to include in our Voters' Pamphlet statements. So voters will need to keep up with all the reasons to vote No on Measure 101. More reasons may emerge when the Secretary of State releases an expected audit of the OHA by early December.

An [early version of the Voters' Pamphlet](#) for Measure 101, including the full text of the Measure and Arguments in Favor and in Opposition can be found at the Secretary of State's website.

Here is Cascade's Argument in Opposition:

STOP NEW SALES TAXES ON HEALTH INSURANCE PREMIUMS AND HOSPITAL SERVICES

Vote No on Measure 101.

Oregon state government has a long history of mismanaging “other people’s health care dollars,” including:



- Wasting \$300 million federal tax dollars building a website, Cover Oregon, that wasn't able to sign up a single person for health insurance.
- Paying \$280 million a year for nearly 55,000 Medicaid recipients recently found to no longer qualify or who failed to respond to an eligibility check.
- Overpaying health care organizations \$74 million over three years to provide expanded Medicaid coverage to some Oregonians. The state initially only asked for \$10 million of those overpayments back, and under political pressure eventually asked for the rest.

As one Oregon economist notes about the taxes in Measure 101:

“The law explicitly allows the new taxes on health insurance providers to be passed on to consumers. With these new taxes, that Silver ACA plan will cost about \$625 more in 2019 than in 2018. It's not just 40-year-olds who will get hit with the insurance tax. Nearly 12,000 college students...will pay the tax. Small group employers...will pay the new tax.

“Taxes on hospitals will raise the costs of care across the board....The cost of these taxes also will be passed on in the form of higher deductibles and premiums. Even if you don't go to the hospital, you will be paying the hospital tax through higher insurance prices.”*

The cost of health care is already too expensive for many Oregonians. Don't let the state add even more taxes onto services that are expensive enough already, especially when it has such a poor track record spending the health care tax money it already gets from us.

Say No to these new health care sales taxes.

Vote No on Measure 101.

*source: [Health Care Tax Would Hurt Middle Class](#)
at: CascadePolicy.org/Health-Care

(This information furnished by Steve Buckstein, Cascade Policy Institute.)

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