

Republicans question Kulongoski's healthcare, tobacco tax proposal

by Bend Weekly News Sources

GOP Committee members question proposal's scope, sustainability

SALEM, OREGON — Republican members of the House Health Care Committee raised questions today regarding the scope and fiscal sustainability of the Governor's children's health care and tobacco tax proposal. Reps. Scott Bruun (R-West Linn), Linda Flores (R-Clackamas), Ron Maurer (R-grants Pass) and Dennis Richardson (R-Central Point) addressed their concerns during a joint House-Senate committee meeting with the Governor's health policy advisors.

They made the following observations after the hearing.

“Establishing health coverage for all children is certainly desirable, but a new government plan must be affordable and sustainable,” said Rep. Richardson, the committee vice chair. “The projected revenues from the tobacco tax will be \$70 million less than the cost to fund the “Healthy Kids” program in the 2009-11 biennium. Coverage of children should be considered as part of a larger issue of access for Oregonians of all ages, not as a separate issue.”

Rep. Flores raised questions over the program's eligibility rules that provide state-subsidized health care to illegal immigrants and children of families with incomes of 350 percent of the federal poverty level. “Children's health care is a great idea, but the Governor's proposal goes further than simply providing health care to truly needy Oregon children,” Rep. Flores said. “I don't believe we can sustain a plan that provides publicly-subsidized health care to families with incomes of \$73,000 a year. Along with providing free health care to illegal immigrants, these policies go beyond helping Oregon parents who have no other way of assuring health care for their children.”

Rep. Maurer voiced similar concerns about the sustainability of the Governor's proposal. “The program's cost more than doubles over the next two biennia, which creates a budget shortfall that the Governor's tobacco tax increase won't cover,” Rep. Maurer said. “We have been tasked by the Governor to do “the right thing” for the kids of Oregon. I believe the right thing is to enact a plan that is sustainable. The “Healthy Kids Plan” is not financially sustainable.”

Rep. Bruun questioned the Governor's proposal to fund the program with tobacco tax dollars, and said the volatility of this revenue source may threaten the Legislature's ability to fund the program in the future. "Covering Oregon's children should be a priority," Rep. Bruun said. "However, I have grave concerns about the sustainability of taxing tobacco, a very volatile revenue source. Even the Governor's own budget has it falling \$70 million dollars short in the next biennium."

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