



JOHN A. KITZHABER, MD
Governor

August 14, 2013

The Honorable Kate Brown
Secretary of State
136 State Capitol
900 Court Street NE
Salem, OR 97301

Dear Secretary Brown:

Under Article V, section 15a, of the Oregon Constitution, the Governor has the power to veto "single items in appropriations bills, without thereby affecting any other provision of such bill." Exercising that constitutional authority, I hereby disapprove and veto Sections 99(4), 99(5), and 100 of Enrolled House Bill 5008 without affecting the remaining provisions of the bill.

House Bill 5008 is an appropriations bill that includes actions regarding the legislatively adopted budget for the Public Employees' Benefits Board (PEBB) and the Oregon Educators' Benefit Board (OEBB). In my view, we should be expecting better value from our health care partners and creating a health care delivery system that is accountable for the money paid. PEBB and OEBB members have stepped up over the past two years with increased contributions and in taking greater responsibility for their personal health. It is now time to increase the accountability from our health system partners.

The budget from HB 5030 reflects my expectation that PEBB and OEBB not take the traditional pathway of budget balancing that only shift costs to members but rather fundamentally changes how care is delivered to members and their families. By improving health, eliminating waste and controlling costs, we want to ensure that PEBB and OEBB members have the care they need today and in the future. As a responsible employer, we want to continue to collaborate with our employees on how best to improve employee health. Together we have made headway on these fronts, and there is a lot more to be done. This is a step to get more value for the employee's and taxpayers' dollars.

Accordingly, I am exercising my constitutional authority to disapprove and veto Sections 99(4), 99(5), and 100 of Enrolled HB 5008 without affecting the remaining provisions of the bill.

Sincerely,

John A. Kitzhaber, M.D.
Governor

LJR/smg