



MEMORANDUM

To: Senator Arnie Roblan, Chair, Senate Committee on Rural Communities and Economic Development
Senator Herman Baertschiger, Vice-Chair, Senate Committee on Rural Communities and Economic Development
Members of the Committee on Rural Communities and Economic Development

From: Bryan Boehringer, OMA Government Affairs
Courtnei Dresser, OMA Government Affairs

Date: February 12, 2013

Re: Support for SB 325

The Oregon Medical Association supports the reauthorization of the rural health practitioner tax credit as it remains a critical tool to recruit and retain health care practitioners in rural parts of the state.

This tax credit was established in 1989 and provides a \$5,000 a year credit to rural health practitioners, including physicians, physician assistants and nurse practitioners. In Oregon, the provision of health care in rural areas has been challenged by low numbers of providers as well as insufficient employment opportunities for spouses and partners of health care providers. Recent data from the Oregon Rural Health Association shows that the ratio of providers to patient population is only 135 physicians per 100,000 in rural Oregon (compared to 335 to 100,000 in urban Oregon).

Additionally, hospitals and clinical practices have difficulty recruiting physicians into Oregon, especially in rural areas. Oregon must 'compete' for physicians with every other state with rural opportunities. Physicians trained in Oregon are more likely to stay here, especially if Oregon continues to incentivize the practice and offer competitive advantages like a tax credit.

Reauthorizing this tax supports Oregon's health care transformation efforts. As more Oregonians become insured and seek access to health care services, the need for an adequate and robust workforce becomes increasingly more critical. The loss of the tax credit for rural health providers would result in provider shortages and loss of access for rural Oregonians; 77% of current tax credit recipients stated they would consider leaving, would begin looking for other opportunities or would leave as soon as possible if this tax was eliminated (Oregon Rural Health Association survey results). The loss of these medical professionals would severely limit Oregon from improving the quality, reliability and availability of care for rural patients and could increase, rather than decrease, the total health care costs for rural Oregonians.

Thank you for your support for this bill.