



Oregon Office of Rural Health

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Testimony re: HB 3245
House Health Care Committee
March 30, 2015
Scott Ekblad, Director, Oregon Office of Rural Health

Chair Greenlick, Vice-Chairs Hayden and Nosse, Members of the Committee:

There has been quite a bit of discussion over the last couple of Legislative sessions regarding the Rural Practitioners Tax Credit. Proposed changes to the program have been numerous, and wide ranging. In 2013 the program sunset was extended for two years and a work group was formed during the interim to take a look at all provider incentive programs utilized in the state, to compare their effectiveness and to see if they could be better aligned. At the same time, the Oregon Healthcare Workforce Committee was tasked by the Oregon Health Policy Board to do essentially the same thing. The consensus of both groups was that we cannot make informed decisions without better data and, more importantly, ongoing analysis and evaluation of these programs to determine whether they need to be changed and how.

The Rural Practitioners Tax Credit program began with tax year 1990. It has been added to and revised over the years. Different professions were added at different times, and have different eligibility criteria. For physicians, much depends on the hospital(s) at which they have admitting privileges. Attempts to outline eligibility criteria for the various practitioners quickly become very detailed and confusing.

HB 3245 and the -1 amendments would simplify those criteria. It makes eligibility the same for all allowed professionals. It also narrows eligibility to those located in or serving underserved communities, and expands the credit to include urban practitioners. Determining whether or not a practitioner is located in an underserved community, or is seeing an underserved population, is much more difficult than it sounds, and therefore this bill also allows the Oregon Office of Rural Health to convene an advisory group to determine underservice eligibility criteria that is specific to each of the eligible professions.

I have attempted to estimate the number of people who would be eligible for this tax credit if this bill became law. I must emphasize that this is an estimate, because the proposed advisory group would ultimately determine who is eligible. Until then, our best guess is based on federal Health Professional Shortage Areas (HPSAs):

Currently eligible for the tax credit: 2,192

Eligible with passage of HB 3245: 7,281

Many urban practitioners would become newly eligible, and some rural practitioners would become ineligible.

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| Redmond | Deschutes County | 29 |
| Cottage Grove | Lane County | 29 |
| Sandy | Clackamas County | 12 |
| Sisters | Deschutes County | 7 |
| Junction City | Lane County | 6 |
| Veneta | Lane County | 5 |
| Creswell | Lane County | 2 |
| Monroe | Benton County | 1 |
| Dexter | Lane County | 1 |
| Sunriver | Deschutes County | 1 |
| Welches | Clackamas County | 1 |

Thank you for this opportunity to speak with you today. I am happy to answer any questions you might have.