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March 30, 2015

House Revenue Committee
Oregon State Legislature

RE: HB 3034

Chair Barnhart and Members of the Committee:

As a non-profit health system, St Charles has a long history of charity care and service to the communities where we provide healthcare. This community trust extends beyond the walls of our four hospitals and into the many programs we support through our Community Benefit dollars, including the support of the unfunded costs of Medicaid, and covering medical expenses for our most vulnerable people who cannot afford healthcare.

In order to support these activities in an ever-shrinking commercial market, it is imperative that we protect the property tax exemptions that help make this possible. HB 3034 would remove the exemption from county tax rolls, making land that has been exempt for decades suddenly subject to taxes that may not be dedicated to healthcare within the communities we serve.

St Charles Health System provided \$132 million in Community Benefit in 2013, a figure they intend to match or exceed in coming years. With the advent of the Affordable Care Act, it is essential to maintain the delicate balance that supports the provision of healthcare in Oregon's communities—especially those serving rural areas. Often, we are the largest employers, and the economics of a region are woven into the ability for a local hospital to provide healthcare and employment within their community. HB 3034 jeopardizes this balance, and would require Oregon's hospitals to increase their charitable giving six-fold or pay property taxes. This would cripple even the most fiscally sound hospitals.

We recognize that Oregon needs tax reform, and want to be part of that conversation. We are committed to supporting a comprehensive policy conversation, but cannot support single solutions that will significantly impact our ability to care for our communities. **Please, vote no on HB 3034.**

Sincerely,

Joseph Sluka, President & CEO