

Testimony of
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Before the House Committee on Health Care
In Support of HB 3396
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I am writing in support of House Bill 3396, which would combine incentive programs for medical providers into one, flexible fund.

Attracting medical practitioners to Oregon's rural and underserved communities has long been a challenge. Despite having more than a dozen state and federal programs aimed at solving this problem, we still hear of the need for medical providers in these Oregon communities.

House Bill 3396 would allow Oregon to address problems with current incentive programs:

Incentive programs should be targeted.

If the goal of incentive programs is to ensure rural and underserved communities have more doctors practicing in their communities, programs should be properly designed to do so.

The largest current incentive program, the Rural Medical Providers Tax Credit, defines rural communities differently from other incentive programs, like the rural emergency providers credit (ORS 315.622). Oregon should define the geography of the problem similarly across the multiple programs that are trying to address the same problem.

Moreover, incentive programs should be structured to ensure doctors practice in the targeted communities. The Rural Medical Providers credit only requires a doctor practice 20 hours per week averaged over the month. Most doctors likely work more than 40 hours per week. An incentive program that only requires half or less than half time will not solve the problem of getting more medical practitioners into rural and underserved communities.

Incentive programs need measurable outcomes.

Public investments aimed at ensuring quality medical care in Oregon's rural and underserved communities are smart investments, but their effects must be quantifiable. Incentive programs should have measurable outcomes. For example, the Rural Medical Providers credit – which costs about \$17 million per biennium – has no data to support the claim that it attracts doctors to rural communities despite being in effect for nearly a quarter century.

In addition to instructing an advisory council to recommend the allocation of available funds, House Bill 3396 should instruct the advisory council to develop a set of metrics used to evaluate the effectiveness of incentive programs. Such measures are needed to ensure these investments are properly targeted and effective.

There is growing support to study incentive programs to determine what works (SB 757 would do just that). While we may not yet know what works, we do know which programs are the wrong tools. Specifically, the Rural Medical Providers credit is a costly program that has proven to be more a reward than incentive program. While it is currently scheduled to sunset in 2016, practitioners already eligible for the credit can continue to claim it until 2023. That means there is time to find solutions – something House Bill 3396 can help do. This bill will be undermined if the Rural Medical Providers credit sunset is extended. We hope you will oppose any such extension.

Summary

Ensuring Oregon's rural and underserved communities have access to quality medical care should be a priority. However, incentive programs have not yet been able to solve this problem. Some, like the Rural Medical Providers credit, are costly and do not meet their intended purpose. Incentive programs should be targeted and have measurable results. House Bill 3396 would allow Oregon to develop the tools it needs to develop such solutions and ensure all Oregonians have access to quality medical care.