

**Providence Health & Services**  
4400 N.E. Halsey St., Building 2  
Suite 599  
Portland, OR 97213  
[www.providence.org/oregon](http://www.providence.org/oregon)



March 31, 2015

The Honorable Phil Barnhart  
Chair, House Committee on Revenue  
State Capitol  
Salem, Oregon 97301

RE: House Bill 3034, Tax exemptions for nonprofit health care organizations

Dear Representative Barnhart and members of the committee:

On behalf of Providence Health & Services and our ministries across Oregon, we urge you to consider the unanticipated consequences that House Bill 3034 could have on our communities.

In addition to Providence's commitment to providing high-quality health care services to the across Oregon – we are equally committed to building healthier communities in ways that reach far beyond our hospitals and clinics. This commitment is evident through community benefit spending and innovative, new community partnerships.

House Bill 3034 creates a new property tax system for nonprofits that provide health care services. The bill limits current exemptions to acute care facilities and any other facilities that treat accident victims. All other exemptions that currently apply to clinical services, research facilities and long term care facilities would be subject to a complicated charity care test.

By requiring that tax exemption limits apply to non-acute care, the bill effectively undermines the central thrust of health care transformation in Oregon – to move care out of high-cost, high-acuity settings and into medical homes, accountable for an individual's overall health. The bill creates a tax incentive to maintain existing acute care services instead of investing in primary care. In addition, by requiring a higher portion of community benefit dollars be dedicated to charity care (free and reduced price care), we are taking community investments away from organizations and programs working to address wellness and social determinants - like nutrition, job training and housing.

Providence shares your commitment to individuals residing in the communities we serve, and across Oregon. Please join us in opposing House Bill 3034.

Sincerely,

A handwritten signature in blue ink, appearing to read "Theron Park".

Theron Park  
Chief Executive, Delivery System  
Providence Health & Services - Oregon