



March 27, 2015

TO: Representative Caddy McKeown
CC: Members of House Revenue Committee
CC: Andi Easton, Oregon Association of Hospitals and Health Systems

Representative McKeown and members of the House Revenue Committee,

As the CEO and Administrator of Lower Umpqua Hospital District, located in Reedsport, Oregon, I write to you today **strongly opposed** to House Bill 3034, which is in front of your committee on March 31.

HB 3034 is deeply flawed legislation which would have extreme consequences on the operations and mission of the Lower Umpqua Hospital District. The bill would enact a charity care minimum of 15% of gross revenue in exchange for an exemption from property taxation. The revenue we receive from property taxes makes it possible for the District to operate a 24/7/365 Emergency Services Ambulance staff, which might otherwise not be available in this area.

With the drop in uninsured Oregonians due to the Affordable Care Act, our analysis shows that we would be unable to meet such a minimum, or anything even close. We believe in our charitable mission, including providing charity care, but there simply are not enough uninsured Oregonians in our community to achieve such a level.

Our hospital takes pride in our community benefit activities, which run from sponsoring a school nurse, supporting a resource officer, funding the Family Resource Center, community health fairs, to charity care and beyond. In 2013, our hospital district contributed \$2,793,701 and in 2014 the contribution was \$3,282,457 in such activities. Those are direct and measurable contributions to the health of our community. Should HB 3034 become law, those activities would be in severe jeopardy. We would either have to redirect spending to our newly acquired tax liability, or search out ways to give away care in order to try to achieve the 15% threshold.

Furthermore, the property taxes collected by counties would go to activities outside the realm of community health, and counties would be under no obligation to use funds to improve the health of their communities. We believe in our mission and the health of our community, and we view any attempt to redirect that spending as a threat to the mission of a healthier Oregon.

Again, I urge you to oppose HB 3034.

Thank you,

Sincerely,

A handwritten signature in black ink that reads "Sandra Reese". The signature is written in a cursive, flowing style.

Sandra Reese
CEO/Administrator