

Advocating for Oregon's Hospitals & the Patients They Serve

Committee: House Committee on Health Care
Bill: HB 3356
From: Andi Easton, on behalf of OAHHS
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Representative Greenlick and members of the House Committee on Health Care, on behalf of Oregon's 62 acute care hospitals and the patients they serve, the Oregon Association of Hospitals and Health Systems (OAHHS) appreciates the opportunity to comment on House Bill 3356.

Oregon hospitals support this legislation, which if successfully implemented would foster development of primary care residency programs to alleviate today's desperate primary care provider shortage.

The Affordable Care Act coverage expansion has newly covered more than 350,000 people in Oregon. This is great news for patients and has also profoundly strained Oregon's primary care capacity, threatening patient access. The time for state-based action is now on measures to bolster our health care workforce to meet burgeoning community need. The federal Balanced Budget Act of 1997 caps the number of residencies that are funded by Medicare at the levels in place in 1997. New residency programs are given three years to establish graduate medical education slots before they are capped by Medicare. However, start-up costs for new programs are prohibitive for many organizations, and recruiting residents in those first few years is often challenging. This bill offers an important step towards financing the difficult process of building new medical residencies.

This proposal is not perfect in that it ultimately puts the onus on health care facilities to fund new programs, though this bill would provide loans to help defray the costs. While the bill requires residency programs to repay these loans within a 10-year period, it does not specify the loans' value and interest rates. These concerns aside, provided the loans were competitive, this bill would provide a needed new source of capital that could help launch delayed residency programs. At least two hospitals and one health system have begun planning for new programs but have stalled action due to funding uncertainties, according to the Oregon Health Policy Board Healthcare Workforce Committee report that recommends creation of this loan fund.

We hope you will join us in supporting this measure.