

February 1, 2016

Oregon State Legislature
Committee on Consumer Protection and Government Effectiveness
900 Court St. NE
Salem Oregon 97301

Re: House Bill 4136

Dear Chair Fagan and Members of the Committee:

On behalf of Oregon's 62 hospitals, health care systems, and the patients they serve, the Oregon Association of Hospitals and Health Systems (OAHHS) appreciates the opportunity to comment on House Bill 4136.

HB 4136 is a troubling bill that would have a chilling effect on the ability of Oregon hospitals to recruit and retain health care professionals, and which would place Oregon out of step with our neighboring states and the nation as a whole. Additionally, the bill directly undermines previous efforts to reduce medical liability costs and would increase both those system costs and costs across the entire health care system.

Oregon, like many states, is facing an increasing gap between the number of health care professionals available and the number needed to effectively care for its population. With limited opportunities for medical education, Oregon, more than most states, relies heavily on its ability to attract and retain medical professionals. Increasing potential non-economic damages three-fold will significantly hinder the ability of Oregon providers to recruit into the state. Nationally Oregon is already more punitive than most states, currently allowing non-economic damages twice the \$250,000 limit in California.

The existing \$500,000 limit on non-economic damages is an appropriate threshold to maintain a predictable insurance environment for health care providers. Importantly, there is no limitation for recovery of proven economic damages such as lost income, lost earning capacity, loss of financial support, and other calculable harm. The limit at issue today is a purely punitive amount that has the net effect of making providers less willing to practice in Oregon and to practice expensive, defensive medicine when they do remain.

HB 4136 would increase both health care and medical liability costs in direct contradiction to the efforts of this legislature. In 2013, the Legislative Assembly enacted a new law on Early Discussion and Resolution (EDR), designed to reduce costs in the medical liability system. In contrast to EDR which encourages communication, understanding, and closure over retribution, HB 4136 creates a perverse incentive for families to bring costly and time-consuming lawsuits that negatively impact the social health and well-being of the entire community.

HB 4136 is an unnecessarily punitive piece of legislation that will increase costs and reduce access to health care for generations of Oregonians. We urge this committee to oppose.

Thank you for your consideration. For more information please contact Andi Easton at 503-5591059 or Drew Hagedorn at 503-380-1075.