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House Revenue Committee HB 2115 – Community Benefits

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Mr. Chair members of the House Revenue Committee, thank you for the opportunity to testify on HB 2115, regarding nonprofit hospitals and health systems exemption from taxation and the requirement for community benefits.

The mission of the Oregon Law Center (OLC) is to “achieve justice for the low-income communities of Oregon by providing a full range of the highest quality civil legal services.” OLC has been engaged in working with the legislature over the years on the Oregon Health Plan, Medicaid expansion, and Healthcare Transformation in keeping with our mission.

The great majority of OLC’s clients are covered by the Oregon Health Plan (OHP). While this population is fully covered, we are concerned about those who are low income, but above the Medicaid threshold. These individuals and households struggle to afford insurance. That’s why OLC joined with others to create the Inclusion, Affordability, and Innovation coalition. As I have noted often, our values are in our name. With respect to affordability, we have worked on advocating for the use of the waivers available under the Affordable Care Act (ACA) to expand OHP like coverage to those under 200% of the federal poverty level.

As we all know, the fate of the ACA is uncertain. What we do know is that the amount of uncompensated care for hospitals has been dramatically reduced since the implementation of the ACA, as many more low income people now have access to expanded Medicaid here in Oregon. We believe that it is time to have an established and consistent requirement for the percentage of community

benefits to be provided by nonprofit hospitals and health systems. HB 2115 does that, while providing an opportunity for a “good cause” exception to the 5% gross receipt requirement. This seems to me to be quite reasonable.

Finally, I would just note that community benefits for low income people could include everything from direct assistance for outstanding bills, to community and individual assistance for social determinants of health issues such as food and shelter.

For these reasons we support the general concepts of HB 2115. Thank you for your consideration.

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