

March 22, 2017

Oregon State Legislature
House Committee on Health Care
900 Court St. NE
Salem Oregon 97301

Re: *House Bill 2664 – Extended Stay License*

Dear Chair Greenlick, Vice-Chair Hayden, Vice-Chair Nosse and members of the Committee:

The Oregon Association of Hospitals and Health System (OAHHS) strongly opposes HB 2664 and the proposed amendments. HB 2664 would create a new health facility license for extended stay centers sponsored by ambulatory surgery centers. Creating a new type of health facility without a formal policy development process puts Oregon at risk for unintended consequences regarding quality, patient safety and fiscal impacts on community hospitals.

Collectively, Oregon hospitals agree that there is a shift in the horizon in the way health care services are delivered and are actively engaged in health system transformation models. Extended stay centers create a mostly untested approach to transformation by moving complex surgical procedures to lightly-regulated, non-hospital settings.

OAHHS has the following concerns regarding HB 2664 and the -2, -3, and -4 amendments:

- It is unclear how the bill or amendments will ensure evidence-based best practices and patient safety standards including workforce oversight.
- The bill and amendments lack grounding in Oregon-specific data analysis that demonstrates a need for an extended stay license and how it will improve access and quality of care for all Oregonians.
- Neither the bill nor amendments contain evidence of rigorous analysis on potential unintended consequences to other health services that could be affected at the community level.

With the underlying bill, OAHHS questions the justification for allocating scarce state funds to a rules and licensing process that only results in new services for a commercially-insured population. While -3 amendments remove the state fiscal impact, it allows the Oregon Health Authority to solicit and accept gifts, grants and donations from public and private sources to fund implementation. This provision could create an inappropriate licensing system where a regulatory agency is accepting funds from those benefiting from regulations.

We urge you to oppose HB 2664 and related amendments.

Sean Kolmer, MPH
Senior Vice President of Policy and Strategy
Oregon Association of Hospitals and Health Systems