

Testimony re: HB 3261  
House Health Care Committee  
March 27, 2017  
Scott Ekblad, Director, Oregon Office of Rural Health

Chair Greenlick, Vice-Chairs Hayden and Nosse, Members of the Committee:

House Bill 3261 does much more than what its summary might suggest. It represents the culmination of years' worth of work among many stakeholders and literally holds the fate of our health care workforce – or at least the distribution of that workforce – in its text.

I want to make sure we all understand that our health care workforce is not distributed in a way that allows equitable access to care for everyone in our state. Look at the provider to population ratio of pretty much any health care profession and there are more per person in urban communities than in rural. There are more providers in affluent communities than in low income communities. There are more providers serving primarily white communities than serving communities of color. We use public policy and state-funded financial incentives to persuade health care providers to locate in these underserved communities.

The 2015 House Bill 3396 placed a sunset on all state-funded health care workforce incentive programs. Loan repayment, loan forgiveness, scholarships, tax credit and malpractice subsidy. The intent was to force a serious evaluation of those programs and how public dollars are spent through them. The broad outcome of that evaluation was that all our current programs are very effective. They should be made more available and funded at higher levels. The report also recommends that we encourage participation in more than one incentive program, as that results in an exponential recruitment and retention effect.

The report stated that one program in particular – the rural practitioner tax credit - is most effective at retention of the existing workforce, which is an equally important priority. This is in line with a survey the Oregon Rural Health Association conducted of tax credit recipients in 2013. Of the 315 providers who responded, 52.4% said the tax credit was very important in the initial decision to practice in rural Oregon, while 68.9% said it was very important in the decision to remain in practice in rural Oregon.

It is my understanding that the intent of HB 3261 is twofold: 1) to make it easier for the Legislature to make allocation decisions because all incentive funds will be considered as a whole, and 2) it will allow for flexibility to move dollars from one program to another depending on need. I am supportive of these goals, but do not think it is practical to include the tax credit in that bucket.

The Oregon Office of Rural Health supports HB 3261, and we are eager to work with legislators to continue to refine it. I must, however, voice one concern: there is not yet a bill before the Legislature that will fund any of these programs. We need to extend or remove the sunsets on these programs; we also need to fund them.

Thank you. I am happy to answer any questions.