



Testimony in Support of House Bill 2362
February 09, 2021
House Committee on Health Care
Deborah Riddick, JD RN

Good afternoon Chair Prusak, Vice Chairs Salinas and Hayden, and members of the committee. My name is Deborah Riddick. I am the Director of Government Relations for the Oregon Nurses Association (ONA). We represent 15,000 registered nurses throughout the state and the Nurse Practitioners of Oregon.

The ONA supports HB 2362, which would require Oregon Health Authority approval of any mergers, acquisitions or affiliations of health care entities that had \$25 million or more in net patient revenue in preceding three fiscal years or that result in one entity having increase in net patient revenue of \$1 million or more. We believe in strong worker protections that extend to ensuring that the labor market is not unilaterally manipulated through industry consolidation. This bill provides a process to identify adverse consequences to the workforce, small businesses, and the broader economy.

Large healthcare systems are able to inoculate themselves from the economic forces that negatively impact smaller rural facilities that bare individual, rather than collective, risks of such cost drivers. Increased negotiating leverage, from outsized mergers and acquisitions, lowers the selling price for related goods and equipment, resulting in negative economic impacts in related industries. When workforce competition is stifled due to industry consolidation, the lack of alternative employment render workers immobile and results in wage stagnation. Economist Doug Webber identified that “less monopsony power would lead to less income inequality; reducing the impact of monopsony across the economy would make it more equitable for workers; <https://www.sciencedirect.com/science/article/abs/pii/S0927537115000706>. By preventing monopsony power to influence purchasing power, wages, and statewide healthcare costs, the OHA better positions itself and the State to meet its healthcare cost containment objectives.

Oregon has an impressive legacy of advancing health care innovation and system transformation. We are recognized nation-wide and direct efforts in states near and far; the nation continues to monitor our progress. The ONA supports HB 2362 as another tool to ensure that better oversight and regulation in an industry that could benefit from greater oversight and accountability. We hope you agree and that you will support this important bill.