



## Service Employees International Union – Oregon State Council

February 9, 2022

Dear Chair Prusak, Vice-Chairs Hayden and Salinas, and Members of the Committee,

For the record, my name is Katie Shriver, and I work with the SEIU Oregon State Council. Thank you for the opportunity to testify today about HB 4039. While we support some of the concepts contained in this bill, we have significant concerns about the draft before you today, and therefore we submit testimony in opposition.

SEIU represents 85,000 working Oregonians, and our mission is to achieve a higher standard of living for our members, their families, and their dependents by elevating social conditions and striving to create a more just society.

Our concerns with the bill as drafted include the following:

**Some of the proposed expenditure categories are overly broad.** We believe that foundational policy for the SHARE Program should include strong ties to community health improvement plans and focus on addressing social determinants of health. HB 4039 replaces the existing program with overly broad expenditure categories like “Investments in infrastructure that benefit the community as a whole” that are unlikely to meet objectives. In our observations of hospital community benefit spending, we have seen how broad categories like this tend to lead to allocations that support communities or projects that are already relatively well-resourced and/or do not address racial equity disparities. In contrast, expenditure categories are more effective when they have stronger ties to a measure of need and recognition of race or historically underserved communities.

**Creating a minimum required expenditure in statute is acceptable, but requiring OHA to invest a minimum amount of general fund expenditures in similarly vague categories illustrates a fundamental misunderstanding of the purpose of government.** The State of Oregon already spends vast amounts on “investments in infrastructure that benefit the community as a whole.” Moreover, the state’s investment in a large variety of projects aimed at health improvements is already planned, executed, and reviewed in public processes and forums. In contrast, CCO investments are not thoroughly vetted in public processes. The expenditure and reporting requirement in HB 4039 is duplicative and unnecessary.

**Restricting OHA from adopting rules limiting the distribution or expenditures that exceed 200 percent of the minimum risk-based capital is a short-sighted move that will result in, at best, the collection of excessive wealth inside a CCO, and at worst, the transfer of that wealth to out-of-state-investors.** CCOs are entirely resourced with government funds in order to provide healthcare to the poorest in our state. There needs to be adequate funds to do this. But if there is such an excess of funds that a CCO has more than double what is needed, the state should be able to restrict those funds and ensure that those tax dollars are reinvested in Oregon communities.

Thank you again for the opportunity to provide testimony, and we urge you not to support HB 4039 as currently drafted.