



September 27, 2023

Oregon State Legislature
900 Court Street NE
Salem, OR 97301

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Chair Patterson and Members of the Senate Committee on Health Care:

The Hospital Association of Oregon is a mission-driven, nonprofit association representing Oregon's 62 community hospitals. Together, hospitals are the sixth largest private employer statewide, employing more than 70,000 employees. Committed to fostering a stronger, safer Oregon with equitable access to quality health care, the hospital association provides services to Oregon's community hospitals ensuring all are able to deliver dependable, comprehensive health care to their communities; educates government officials and the public on the state's health landscape; and works collaboratively with policymakers, community organizations, and the health care community to build consensus on and advance health care policy benefiting the state's 4 million residents.

Hospitals are more than just buildings; they are cornerstones within the communities they serve. Our hospitals are employers, partners in community projects, and community spaces—all while providing vital health services to generation after generation of families in communities across Oregon. We know that when our hospitals are strong, our communities win.

We appreciate the opportunity to offer a hospital perspective in today's informational meeting regarding health care costs for Oregon consumers.

The recent report from the Oregon Health Authority (OHA), "Impact of Health Care Costs on People in Oregon, 2021," illustrates the troubling reality that so many Oregonians and their families face in paying for health care. OHA reports that, as of 2021, personal spending on health care was approaching \$8000 per person—a 40% increase from 2013.¹ This is despite the fact that over 95% of Oregonians had health insurance in 2021.² The OHA report estimates the rate of underinsured Oregonians—that is, people with health insurance who cannot afford to use it because of high out-of-pocket costs relative to their income—at 28-45%, depending on the definition

¹ Oregon Health Authority, [Impact of Health Care Costs on People in Oregon, 2021](#), September 2023, p. 2.

² Oregon Health Authority, [Oregon Health Insurance Survey](#), 2021.



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applied.³ This is unsurprising given the trajectory of commercial insurance costs for enrollees. Between 2013 and 2021, commercial insurance premiums in Oregon increased by 36% for individual plans and 32% for family plans; average deductibles increased 84% for individual plans and 34% for family plans.⁴ Commercial insurers in Oregon’s individual market are raising premiums again in 2024, by an average of 6.2%.⁵

As commercial insurers push more costs onto patients, Oregon’s hospitals are a safety net. Hospitals treat all individuals and families who walk through their doors needing care—24 hours a day, 7 days a week, 365 days a year—regardless of their ability to pay. When a patient needs hospital care and can’t afford the deductibles, co-pays, and co-insurance the insurer requires them to pay, it is the hospital that comes to the rescue—not just medically, but also financially.

In Oregon, all hospitals are required to have patient financial assistance policies.⁶ HB 3076, passed in 2019, further requires nonprofit hospitals to offer certain amounts of financial assistance to patients with incomes at or below 400% of the federal poverty level (\$120,000 annually for a family of four in 2023⁷) according to a sliding scale.⁸ At one end of the scale, patients whose incomes are at or below 200% of the federal poverty level are entitled to financial assistance that covers the entire amount they owe for medically necessary services or supplies provided by the hospital.⁹ Health insurers have no such requirement to offer financial assistance; instead, they continue to shift cost burdens to patients. We are not aware of any commercial insurers in Oregon that offer financial assistance to enrollees to cover cost-sharing amounts.

Hospitals in Oregon collectively reported nearly \$2 billion in community benefit spending in 2021, the latest year for which we have data.¹⁰ That number follows a steady upward trajectory over the past several years¹¹ and includes \$1.54 billion in unreimbursed care, or health care services provided to patients where the hospital was not reimbursed enough to cover their costs.¹² \$291.6 million of that amount was charity care provided to patients who received hospital financial assistance.¹³

Hospitals provide many other types of community benefit in addition to charity care, including financial or in-kind support for public health programs, health education, screening and prevention services, medical research, medical education, community health investments, and more. In addition to the sliding scale for nonprofit hospital financial assistance and other components, HB 3076 established a new Community Benefit Program that includes

³ Oregon Health Authority, [Impact of Health Care Costs on People in Oregon, 2021](#), September 2023, p. 14.

⁴ Oregon Health Authority, [Impact of Health Care Costs on People in Oregon, 2021](#), September 2023, pp. 3 and 7.

⁵ Division of Financial Regulation, Oregon Department of Consumer and Business Services, [ACA-Compliant Plans: 2024 Health Insurance Rate Requests](#).

⁶ ORS 442.610 (2); [HB 3076](#) (2019), Sections 2 and 3.

⁷ Healthcare.gov, [Federal poverty level \(FPL\)](#).

⁸ ORS 442.614 (1)(a).

⁹ ORS 442.614 (1)(a)(A); ORS 442.614 (1)(e).

¹⁰ Oregon Health Authority, [Oregon Hospital Community Benefit Report Fiscal Year 2021](#), p. 1.

¹¹ Oregon Association of Hospitals and Health Systems, [2023 Community Benefit Report](#), p. 2.

¹² Oregon Health Authority, [Oregon Hospital Community Benefit Report Fiscal Year 2021](#), p. 2.

¹³ Oregon Health Authority, [Oregon Hospital Community Benefit Report Fiscal Year 2021](#), p. 2.



minimum community benefit spending floors for nonprofit hospitals and annual community benefit reporting requirements.¹⁴ Hospitals collaborated with OHA to implement this new program, which launched officially on January 1, 2021. In its first report on the program, OHA concluded that “hospitals are complying with the program’s new reporting requirements” and “hospital financial assistance policies are largely in alignment with the new requirements for patient financial assistance and medical debt.”¹⁵

In addition to previous commitments, hospitals supported policy initiatives during the 2023 legislative session to protect families from hospital costs and help ensure they get the care they need. We worked closely with our labor partners to pass HB 3320, which aims to improve patient access to hospital financial assistance.¹⁶ Examples of patient protections in the new law include:

- Hospitals screening certain patients for presumptive eligibility for financial assistance and applying any amount of financial assistance for which the patient is determined eligible through the screening process before sending a bill;
- Hospitals accepting financial assistance applications online, including via a mobile device; and
- Hospitals providing specific notifications to patients regarding the availability of financial assistance, the results of any screening for presumptive eligibility, and how to appeal a denial of financial assistance, among others.

We are proud of this work and all that our hospitals do to help ensure access to high-quality, affordable care in their communities. But hospitals continue to find themselves in a financially tenuous position, facing rising costs to provide care.¹⁷ We must find a way forward that shields consumers from the increasing burden of health care costs and that ensures our hospitals can continue to operate and provide the services their communities need.

Thank you,



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¹⁴ [HB 3076](#) (2019), Sections 6 and 7.

¹⁵ Oregon Health Authority, [HB 3076 Implementation Report](#), December 2022, p. 3.

¹⁶ [HB 3320](#) (2023).

¹⁷ Oregon Health Authority, [Oregon Acute Care Hospitals: Financial & Utilization Trends Q1 2023](#), August 23, 2023, p. 1.

