



MEMORANDUM

To: Rep. Rob Nosse, Chair, House Behavioral Health and Health Care Committee
Rep. Christine Goodwin, Vice-Chair, House Behavioral Health and Health Care Committee
Rep. Travis Nelson, Vice-Chair, House Behavioral Health and Health Care Committee
Members of the House Behavioral Health and Health Care Committee

From: Bryan Boehringer, Executive Vice President, Oregon Medical Association

Date: February 21, 2023

Re: OMA Comments on Cost Growth Target Program Legislation

The Oregon Medical Association (OMA) would like to support efforts in temporarily reducing the impacts of the state's cost growth target program on our fragile healthcare system by extending the current implementation timelines.

The OMA believes that addressing the total cost of healthcare continues to be an important goal. We share the state's commitment to setting reasonable cost growth targets based on a reasonable inflation rate. That said, the pandemic continues to play a role as a cost growth driver. The state must ensure that macroeconomic factors include the current impacts from the pandemic and that the cost growth reporting process doesn't create an undue burden on an already fragile healthcare system. The pandemic brought into sharper focus a healthcare labor supply that continues to be scarce and expensive. On top of that, worldwide inflation and supply chain issues have contributed to and worsened all supply shortages. As a result, systems continue to accumulate financial losses.

The situation for clinics is not any better. Clinic staff vacancy rates are at an all-time high. The labor shortage there has increased costs and put the existing clinic workforce into a situation where they are understaffed and overworked – creating historical burnout issues.

We know that our healthcare system is still suffering from the long-term impacts of the COVID-19 pandemic. If we do not ensure that we are doing everything possible to keep from adding additional burdens to the system, access to quality healthcare in Oregon is at stake.

All aspects of the healthcare system need assistance and relief to prevent an already fragile system from deeper fracturing that already is taking place. Until some form of stabilization is realized, what is really needed are immediate stress relievers. Policymakers can and should look at existing administrative burdens that could be temporarily or permanently reduced or eliminated.

The workforce and financial crisis that hospitals and clinics are confronting are causing access to care issues for patients, quality of care concerns, along with increasing burnout of the healthcare workforce. While we clearly need practical short-term relief, we look forward to working with the legislature over a longer term on these important healthcare issues for Oregonians.

The Oregon Medical Association serves and supports over 8,000 physicians, physician assistants and student members in their efforts to improve the health of all Oregonians. Additional information can be found at www.theOMA.org.