



Legacy Health
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March 23, 2023

House Committee on Rules
Oregon State Capitol
Salem, Oregon

Chair Fahey and Members of the Committee:

Legacy Health is a nonprofit health care provider in the Portland-Vancouver area and mid-Willamette Valley with an integrated network of care doctors in more than 85 primary care, urgent care and specialty care clinics and six community-based and nationally recognized hospitals. At Legacy Health, we are committed to providing the highest quality health care to all patients.

In the aftermath of the pandemic, hospitals nationwide are facing a financial crisis driven by rising costs, short staffing, and patient backlogs. At Legacy Health, we have had an unsustainable trend of operating losses that requires us to take urgent action. Since our fiscal year began April 1, 2022, Legacy has lost an average of \$14 million a month in our operations. While we continue to deliver essential, daily health services in our communities, we are also looking for every opportunity across our system to reduce our operating losses and return Legacy to sustainable, long-term financial health.

As we reviewed our operations across our six hospitals, the Mount Hood Family Birth Center stood out because of its low volume of births coupled with an unusually high-cost care model that required 24/7 staffing by an obstetrics doctor.

Last fall, we began working with our physicians and midwives to make changes to our care model at the Mount Hood Family Birth Center. The need for changes was prompted by declining birth rates, changes in reimbursement rates from insurance companies, and the increasing cost of providing essential care to our patients.

Our goal was to continue delivering babies at Mount Hood Family Birth Center and to transition the center to a new financially viable care model that would continue to deliver safe, quality care. The Mount Hood Family Birth Center has had a low volume of births coupled with an unusually high-cost care model that required 24/7 staffing by an obstetrics doctor. This 24/7 staffing with obstetrics doctors is most often employed at high-volume birth centers with at least 1,500 annual births. Mount Hood is a low-volume birth center, and the number of annual births has declined by 15% from 910 in 2018 to 770 in 2021, according to data from the Oregon Association of Hospitals and Health Systems.

Mount Hood is also not the primary location for deliveries for pregnant people living in the surrounding region. Patients' individual insurance coverage plans are a major driver in their decision about where to deliver their baby. As a result, Mount Hood delivers about 15% of the babies for people living in the East County region, and the remaining 85% deliver at other area hospitals.

Over many months, we evaluated other approaches to the birth center's model of care. Our intention was, and remains, to change the model and continue offering labor and delivery services in East County.

Unfortunately, as we worked through our options in late 2022 and early 2023, we could not identify a model that met all the criteria for Legacy and our doctors. In January, three obstetrics doctors notified Legacy they would resign their positions.

While our financial crisis influenced our plans to change the care model, the decision to seek state approval to close the Family Birth Center was caused not by our finances but by the decision by the center's physicians to resign their positions. Without adequate physician staffing to support 24/7 labor and delivery care, it would be unsafe to continue offering maternity services.

On March 6, Legacy filed a waiver to seek the Oregon Health Authority's approval to close the Mount Hood Family Birth Center. We received a request for more information from the OHA on March 13, and we submitted additional information on March 17. We appreciate the thorough and focused approach the Oregon Health Authority is bringing to this important process, and we look forward to continuing this conversation with them.

We have put plans in place to ensure safe care for pregnant patients who arrive at Mount Hood. All emergency department staff and providers are receiving training that is intended to provide hands-on emergency skills to stabilize patients in acute situations. This will enable our staff and providers to safely care for obstetric patients while preparing for timely transfer to another facility offering maternity care.

Based on documented resignations, we do not have appropriate physician staffing. To ensure the safety of our patients, pregnant patients in labor who do arrive at Mount Hood will be transferred to Randall Children's Hospital at Legacy Emanuel by Life Flight or ambulance. As is standard in situations like this, the transfers are paid for by the hospitals or the patient's insurance plan. Unpaid balances are not billed to the patient.

The majority of current walk-in pregnant patients to the Mount Hood emergency department are established with the Legacy Medical Group's Mount Hood Women's clinic. They have all been educated about the need to plan for delivery at other facilities. Our doctors have been communicating our plans directly to their patients in the Legacy Medical Group Women's Clinic at Mount Hood and through our MyHealth patient communication platform since immediately

after we announced plans to apply for the waiver. We also have communicated our plans through our health care partners in the community.

We know that this decision will have a significant impact on the community, particularly for expectant people and families who were planning to give birth at Mount Hood Medical Center. We deeply empathize with the stress and uncertainty this may cause and understand that the birth of a child is one of the most important events in a family's life.

We recognize that this decision is difficult for the families who have relied on the Family Birth Center for their pregnancies and deliveries. We want to assure you that we will continue to provide care for pregnant people at our other Legacy hospitals, including at the Legacy Medical Group Mount Hood Women's health clinic and our clinics and hospitals in Portland. We will work to ensure that all pregnant people in our community have access to high-quality care, regardless of their location or circumstances. We are also providing support, training and resources to our staff members who will be impacted by the closure.

We understand the importance of access to quality health care in our community, and we remain committed to providing that care in the most effective and efficient way possible.

In east Multnomah County, Legacy will continue to provide women's health services at Mount Hood Medical Center. Those services include:

- Our obstetrics and gynecology doctors, and midwives will continue to serve East County for women's services in their clinics.
- We will expand Legacy Medical Group gynecology services, such as annual women's visits, and gynecologic surgery, such as hysterectomy.
- We will establish high-risk pregnancy outpatient care on our campus, also known as Maternal Fetal Medicine.

Thank you for your partnership in ensuring safe, high-quality healthcare for all Oregonians.

Sincerely,



[Amy Chaumeton, MD \(Mar 23, 2023 12:07 PDT\)](#)

Amy Chaumeton, MD

Interim Associate Chief Medical Officer