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STATE REPRESENTATIVE
District 34
HB 3320 - *Charity Care*
H-BHHC 5/1/23



HOUSE OF REPRESENTATIVES

Good afternoon, Chair Patterson, Vice Chair Hayden and members of the committee,

For the record, my name is Christopher McMorran. I am the Chief of Staff for state Representative Lisa Reynolds of Oregon House District 34. Rep. Reynolds was hoping to join you this afternoon, but as you may have heard, it's a bit of a big day on the House floor today.

Thus, I am grateful to be before you today to speak on her behalf about HB 3320 A, a bill that aims to ensure low-income and uninsured Oregonians can get the medical attention they seek, without receiving illegitimate bills and without being threatened by collections agents.

As you may know, Rep Reynolds is a pediatrician. As a medical professional, it is her life's work to serve and advocate for the health of all Oregonians, especially those who face significant barriers to health care.

You may have heard Rep Reynolds share before that poverty is a vicious cycle that causes toxic stress. It impairs both physical and mental health, and, especially for families with young children, it can disrupt early relational health. It's why she so often talks about ending poverty – it is at the root of so many other issues that we tackle in this body.

And, when it comes to medical care, Rep Reynolds believes in making sure that patients and families can access care – necessary care – without having to go bankrupt.

Rep Reynolds is very very proud to practice pediatrics in a state that covers all kids with the Oregon health plan. Oregon will soon become the first state in the nation to continuously cover all kids from birth to 6 years old, and other states are scrambling to follow suit. Additionally, Oregon is one of 30 states that has opted to cover women for the full year postpartum with health care coverage. Oregon is the envy of pediatricians from other states - and Oregon pediatricians are the envy of their physician friends who care for adults. It's important to note that Oregon is taking great strides to cover more adults with health insurance. **But we are not there yet.**

So what do we do with those Oregonians, already struggling to meet their basic needs, who are low-income and/or uninsured and need medical attention? Enter Oregon's non-profit hospitals, who have a legal and, we might add, moral, responsibility to care for this vulnerable population.

Non-profit hospitals - means that hospital earnings cannot benefit shareholders or individuals. These hospitals do not pay any federal, state, or local taxes. In exchange for these tax

exemptions, the hospitals are required to provide charity care and other benefits to their community.

HB 3076, passed in 2019, required Oregon's nonprofit hospitals to screen patients' eligibility for charity care, *the term we use for the free or discounted health services for patients who cannot afford to pay their hospital bills*. The intent behind this bill was to prevent medical debt for Oregon's most vulnerable and to enliven the charitable missions of nonprofit hospitals.

Given the successful passage of this bill, Rep Reynolds was shocked to learn in a New York Times report in September about Providence Health System's aggressive tactics to collect payments from people who qualified for charity care. Upon reading reports of these practices, Rep. Reynolds quite literally gasped out loud – I can verify, I was sitting right next to her. The Washington State Attorney General, Bob Ferguson, filed a consumer protection lawsuit alleging that Providence wrongly claimed those patients owed a total of more than \$73 million.

Our attorney general, Ellen Rosenblum, has since launched an investigation into Providence.

Other reports, including some that will be discussed by panelists today shine a light on how **we need stronger compliance with the state law**. Many of our hospitals are sending vulnerable people into a cycle of debt when they *should* be offering assistance.

We find that charity care has *not* been adequately implemented throughout Oregon, even though we passed HB 3076, requiring that low-income Oregonians receive financial assistance with their bills. Only 1 out of Oregon's 62 nonprofit hospitals has effectively provided full, fair, and consistent charity care to eligible patients.¹

The result? Low-income patients meant to be covered are sent to debt collectors and sued in small claims court for bills they were *never* supposed to pay in the first place. Of course, these folks do not have the means to hire lawyers to defend them throughout this process. And we know that medical debt is the most common reason for bankruptcy filings, making these families more vulnerable in terms of housing security and more.

On the House side, we heard from several consumers who shared their stories of being buried in expenses, consequentially deterring them from pursuing the care that they need. I encourage you to engage with their stories and testimonies on OLIS.

Look, it's past time: *All* nonprofit hospitals *must* abide by charity care standards to uphold their obligations to patients and communities.

This bill has been worked on with SEIU, the Oregon Association of Hospitals and Health Systems, OHSU and Providence Health Systems and I thank them for their support on this bill and their good faith efforts to right these wrongs.

¹Dollar For, [Pointless Debt](#), 2023.

So, what does the bill do? Here are some of the highlights

- In order to ensure that eligible patients get access to financial assistance, there will be widespread screening for financial assistance **prior** to bills being sent. We all know these bills, or things that look like bills, are confusing and difficult to understand. Furthermore, financial assistance programs need to be easily accessible online. The appeals process, if denied charity care, needs to be easily accessible for consumers.
- And, If a patient pays for services that should have been covered by law under financial assistance, then they will be refunded that amount plus any other costs associated with collecting.

In medicine we all live by the code, "first do no harm," that includes how we treat the patients that receive bills for services. In many cases, what Oregonians have experienced was the exact opposite. I hope you will join our office in supporting House Bill 3320.