

TRAVIS NELSON
STATE REPRESENTATIVE
HOUSE DISTRICT 44
NORTH/NORTHEAST PORTLAND



HOUSE OF REPRESENTATIVES
Testimony in Support of House Bill 4089

February 13, 2024

Chair Nosse, Vice-Chair Goodwin, and members of the House Committee on Behavioral Health and Healthcare,

I am Travis Nelson representing House District 44. I am here to today to speak in support of House Bill 4089, A Hospital Financial Transparency Bill. This legislation gives taxpayers better insight into how our largely non-profit hospital system spends and invests their tax dollars. To my knowledge, the hospitals are the only opponents of the bill, and this legislation should have no fiscal.

Originally this bill included provisions that would have forced hospitals to pay non-exempt workers minimum wage for standby pay and included a provision that would have mandated more predictability around employee schedules. After receiving feedback during and after our last legislative days, I stripped out the two biggest and most expensive provisions of the bill and dramatically narrowed the bill to focus just on Hospital financial transparency.

Hospitals in our state take in millions of taxpayer dollars to support their operations, largely in the form of Medicaid and Medicare. For those who don't know, hospitals in Oregon already must report a wide variety of financial data to OHA. This includes total margin, Charity care, operating margin, total operating expense, operating revenue, bad debt expense, and net non-operating gains or losses.

HB 4089 gives taxpayers transparency into the salaries of the highest-paid earners within a hospital. Those of us who work for the state are very familiar with that level of transparency. Just in case you are curious, the CEO's at two of our largest non-profit hospitals, Providence and PeaceHealth, made over 8 million and 5 million dollars each last year.

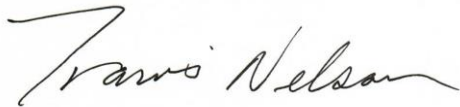
This bill will also require quarterly reporting of days cash on hand. Transparency into days cash on hand will give taxpayers better understanding of hospital cash flow. HB 4089 will also reveal the flow of profits to and from Oregon – for example, currently we do not know how much of the revenue or profits generated in Oregon by Providence or PeaceHealth are being sent to Washington State, California, or Alaska to support the operations in communities there. This bill will also require hospitals to report the percent of Medicaid and Medicare revenue invested in the stock market. A practice that is perfectly legal. To be clear, even though I question how it is legal to invest Medicaid dollars in the stock market, I am not saying this practice should stop. I am simply saying that taxpayers have a right to know how much hospitals are gaining or losing on those choices. Lastly, it also provides insight into income received from patient care, employee expenses, along with trusts and other assets.

This legislation is not asking hospitals to divulge trade secrets, proprietary information, or intellectual property. It merely aims to create a more comprehensive view of hospital financial performance for the tax paying public, revealing how hospitals generate revenue and allocate their resources. This legislation will not only give much needed transparency but should foster a deeper trust between hospitals and healthcare systems and the communities they serve.

This fosters an environment where transparency transcends policy to become a practice that cultivates trust and accountability. The bottom line is this, do you believe that taxpayers have a right to know how our largely non-profit hospitals are spending their hard-earned tax dollars.

I encourage you vote yes on HB 4089.

Sincerely,

A handwritten signature in cursive script that reads "Travis Nelson". The signature is written in black ink and is positioned above the printed name.

State Representative Travis Nelson
House District 44, North/NE Portland