



Oregon's Voice for Long Term Care & Senior Housing

February 24, 2025

Senate Committee on Finance and Revenue
Oregon State Capitol
900 Court St. NE
Salem, OR 97301

Chair Meek, Vice Chair McLane and Members of the Committee,

Oregon Health Care Association (OHCA) represents more than 1,000 businesses and organizations that provide senior housing and long term care services in communities across the state. Our members consist of local public health districts and non-profits, small and medium sized LLCs and S corporations, and a few C corporations. They employ and care for more than 75,000 Oregonians each day in facility-based settings or in their own homes.

OHCA was a partner in the Coalition for Common Good in 2019, an unprecedented alliance of business, labor, and community organizations focused solely on increasing school funding in Oregon through additional revenue. The coalition worked with this body to develop and establish Oregon's corporate activities tax structure. This was a major policy initiative that was carefully balanced between tax policy and educational outcomes. Ensuring that the CAT continues to have the qualities we supported at its inception, namely that it has a low rate and is broad-based, is important to our members.

Nearly three biennia since the passage of the Student Success Act, we believe it makes sense to evaluate the impacts of the tax policy on payers and the outcomes for our schools and students. Our members are acutely aware of the operational and fiscal challenges of providing health care in an increasingly complex landscape, exacerbated by the cascading impacts of the pandemic and workforce shortages. As such, we support lawmakers' assessing the impact of the CAT on health care providers, especially those serving low-income Oregonians on Medicaid. Medicaid is almost always the lowest payor in our health care system and many health care providers cannot afford to serve this population. Therefore, we believe that SB 125 has merit in that regard.

That said, we do not take lightly the potential impact of changes to this tax policy, and we remain supportive of our coalition partners who are focused on improving Oregon's educational outcomes that the Student Success Act was adopted to achieve. Moreover, if the policy changes in this measure or others were to require other adjustments to current tax rates, we would respectfully request that a broader group of stakeholders be engaged for input on how that should be structured. OHCA stands ready to engage in this process to ensure the state is appropriately modifying the CAT in a manner that is consistent with its original goals and allows our essential health care providers to serve Oregonians.

Thank you for the opportunity to provide our perspective.

Sincerely,

Libby Batlan
Senior Vice President of Government Relations
Oregon Health Care Association