

February 5, 2026

Oregon House Committee on Health Care
Oregon State Legislature
900 Court St. NE
Salem, Oregon 97301

RE: HB 4040 – Hospital Financial Assistance – Remove Section 1

Chair Nosse, Vice Chair Nelson, Vice Chair Diehl, and members of the House Committee on Health Care:

On behalf of the patients, consumers, caretakers, and their families that our organizations represent, ***we urge the committee not to make any changes to the thresholds for Oregon's hospital financial assistance programs, as proposed in HB 4040.*** Instead, we suggest allowing alternative options to be considered that will not be detrimental to the financial and physical well-being of those who visit hospitals in Oregon. Hospital financial assistance, also known as charity care, is a vital lifeline that ensures Oregonians can access necessary healthcare without incurring the burden of medical debt and its devastating financial and health consequences.

Healthcare costs remain one of the leading reasons patients delay or skip treatment.

A national survey by the Urban Institute found that nearly 3 in 4 adults with past-due medical debt owed some or all of it to hospitals.¹ A similar story unfolds in Oregon. 1 in 3 people surveyed reported living in a household with medical debt – and 4 in 10 reported that debt came from a hospital visit.² They also reported skipping doctors' appointments or trouble affording the out-of-pocket costs for a visit 40% of the time. As federal policy changes result in significant restrictions to Medicaid and Exchange Marketplace eligibility, threatening the loss of individual insurance subsidies for hundreds of thousands of families, these risks will only increase alongside uninsurance rates. These impacts will be felt disproportionately among those in historically marginalized communities, where Respondents of Color also reported higher rates of rationing medication due to cost and problems receiving behavioral healthcare compared to white, non-Hispanic respondents.³

¹ <https://www.urban.org/research/publication/most-adults-past-due-medical-debt-owe-money-hospitals>

² <https://ocj.org/news/medical-debt-creates-hardship-nearly-third-oregonians>

³ <https://healthcarevaluehub.org/chess-state-survey/oregon/2024/oregon-survey-respondents-struggle-to-afford-high-health-care-costs-worry-about-affording-health-care-in-the-future-support-government-action-across-party-lines/>

Strong charity care rules will protect families from going into debt. First, screening those in means-tested programs and immediately determining their eligibility for charity care means that those most vulnerable to economic instability are shielded from incurring debt. Families should never fear an emergency room visit solely because of the financial consequences. Second, a patient with high or unexpected medical expenses who meets the income eligibility criteria for charity care must have a clear and expedited path to free or discounted care. A CBS News investigation found that over 400 nonprofit hospitals nationwide attempted to collect more than \$800 million annually from patients who would qualify for charity care.⁴ That is why Oregon was a leader in creating one of the country's most robust hospital financial assistance programs.

The financial landscape is changing, but it cannot be achieved solely at the expense of the lowest-income patients. We recognize that hospitals, providers, and patients are all entering uncertain financial times. However, we are concerned that changing the presumptive eligibility screening requirements from \$500 to \$1,500 at this time is premature and will leave many Oregon families with the bill, especially since charity care is a marginal part of hospital operating budgets. \$500 is already more than many Oregonians can afford, as 1 in 3 could not pay for an unexpected \$400 bill.⁵ A report from last year found that Oregon hospitals reduced their spending on charity care for the first time in a decade. The Oregon Health Authority reported total community benefit spending fell to \$2 billion in 2023 — nearly \$192 million less than in 2022, an 8.7% decline.⁶ Furthermore, spending on charity care declined by 17.3% from its peak in 2020, despite the state's expansion of eligibility in 2023.⁷ In fact, when reviewing Oregon Health Authority data, charity care spending helps hospitals maintain financial health by reducing the amount of bad debt they are carrying on their books.⁸

Hospitals themselves say that their screenings are accurate 85% of the time.⁹ They are not *required* to use any third-party screening tool. The existing regulations simply require

⁴ <https://www.cbsnews.com/door/nonprofit-hospitals/>

⁵ <https://www.oregonlive.com/business/2025/09/a-third-of-oregonians-say-they-couldnt-cover-a-400-emergency.html>

⁶ <https://www.oregonlive.com/health/2025/02/nonprofit-oregon-hospitals-spent-less-on-charity-care-community-benefits-in-2023.html>

⁷ Et al.

⁸ <https://visual-data.dhsoha.state.or.us/t/OHA/views/Databankdashboard/QuarterPercentages?%3Aembed=y&%3Aiid=2&%3AisGuestRedirectFromVizportal=y>

⁹ <https://www.oregon.gov/oha/HPA/ANALYTICS/HospitalReporting/Hospital%20Prescreening%20Implementation%20Interview%20Summary.pdf>

hospitals to have a process to prescreen patients and list third-party commercial databases as one of the many tools they *may* use to ensure compliance.¹⁰ Concerns about the efficacy of charity care in Oregon should not focus on who qualifies, but rather on a targeted conversation about how to improve the quality of the data hospitals use to screen individuals for charity care. Although not required by law, the current electronic screening tools available often rely on census data to determine an individual's income and household size. We agree with the hospitals that the accuracy of screenings should be 100% while still protecting patient data privacy. That is the solution we would encourage the Committee to consider as an alternative to changing pre-screening eligibility.

Oregon patients, consumers, caregivers, and their families rely on hospital financial assistance as a safety net to access the treatment they need and avoid medical debt. We stand ready to work with the Committee and other stakeholders to explore alternative approaches to addressing the concerns raised by hospitals and health systems. Should you have any questions, please contact Adam Zarrin at adam.zarrin@bloodcancerunited.org. We thank you in advance for your timely consideration of these comments.

Sincerely,

AARP Oregon
AiArthritis
ALS Association
American Cancer Society, Cancer Action Network
American Kidney Fund
American Lung Association
Blood Cancer United, formerly the Leukemia & Lymphoma Society
Dollar For
National Multiple Sclerosis Society
Oregon Health Equity Alliance
We Can Do Better
ZERO Prostate Cancer

¹⁰ OAR 409-023-0120