



A STRONG VOICE FOR OREGON'S WORKERS

February 6, 2025

Chair Nosse, Vice Chairs Nelson and Diehl, and members of the committee,

The Oregon AFL-CIO represents over 300,000 workers across the state in every sector of Oregon's economy and is a voice for all workers in the legislative process. Thank you for the opportunity to provide written testimony in support of HB 4075, which would authorize the State Treasurer to loan up to 20 percent of the Unclaimed Property and Estates Fund to rural hospitals for financial stabilization.

Health care is at an inflection point, with rising costs severely impacting our hospitals and care organizations, resulting in worse outcomes for the communities they serve. This bill has been developed with the singular purpose of offering financial support for Bay Area Hospital in Coos Bay, which is the Oregon coast's only large (over 50 beds) hospital. Further, Bay Area Hospital is currently Coos County's largest employer. Large-scale layoffs not only impact workers, but would negatively impact the local economy. The legislature also made major investments in Coos Bay's Pacific Coast Intermodal Port project— a large hospital is necessary not just in the future, but also to provide care for the influx of workers who will be working on the project over the coming years.

HB 4075 would allow Bay Area Hospital to refinance its high-interest private debt into state supported financing with a more sustainable interest rate. This keeps hospital revenue *in Oregon*, and gives the hospital breathing room to financially stabilize and continue caring for Oregon's south coast.

Without state intervention, Bay Area Hospital will likely downgrade to a "Type B" facility, meaning less services for local residents and an estimated 2,089 more patient transfers and 182 preventable deaths per year. Downgrading will also likely result in the closure of critical but non profit-bearing lines of services, including behavioral health and labor and delivery. This will mean longer wait times, crowded waiting rooms, and referring patients 2 or more hours away to Eugene or Roseburg for hospital care.

It is critical that we invest in resilient networks for rural health, especially as healthcare continues to be less accessible for many Oregonians. A reduction in healthcare access this severe will absolutely result in a lower quality of care and higher mortality rates.

Bay Area is one of the state's few public hospitals, and the state has a responsibility to ensure that the hospital remains open and functioning in order to serve the community. We strongly encourage a yes vote on HB 4075 and the plan to restabilize Bay Area Hospital.