

May 1, 2019

Oregon State Legislature
House Committee on Rules
900 Court St. NE
Salem, OR 97301

Re: House Bill 3076 – OAHHS Comments

Chair Holvey and members of the House Committee on Rules:

The Oregon Association of Hospitals and Health Systems (OAHHS) appreciates the work that Representative Salinas and Representative Greenlick have done over the years to modernize Oregon's community benefit and financial assistance statute. Our recent conversations have been productive in improving financial assistance programs and how hospitals treat medical debt. Unfortunately, we have not made enough progress in approaching changes to a new community benefit program as envisioned.

The -5 amendment is a step in the right direction as Rep. Salinas continues to make progress on a community benefit spending floor. As indicated in the headers below, some sections of the -5 amendment apply to non-profit facilities and some sections apply to all hospital facilities and their affiliated clinics. Overall OAHHS seeks clarity on this application and shares the following comments on the -5 amendment, some of which we believe will be addressed in a forthcoming amendment:

SECTION 1 – Definitions

OAHHS appreciates the inclusion of the definition of 'hospital-affiliated clinic' that aligns with the extensive work hospital financial experts went into crafting a definition to meet the various partnership arrangements hospitals have with clinics. OAHHS is pleased to support the definition and inclusion of social determinants of health as a focus for community benefit reporting. OAHHS recommends the following changes to SECTION 1:

- Align, as closely as possible, how the Affordable Care Act (ACA) defines 'household' to ensure consistency with state and federal law for implementing financial assistance policies
- Remove the definition of 'health care provider' as the intent of workgroup conversations has been for state law to apply to hospitals and non-profit hospital affiliated clinics
- Exclude specialty hospitals from the definition of 'hospital' in subsection 6

SECTIONS 2 & 3 – Financial assistance policies (nonprofit hospitals and nonprofit clinics)

OAHHS and member hospitals support a standard statewide financial assistance policy. Patients whose household income is less than 200 percent federal poverty level would be guaranteed fully covered medically necessary services at any nonprofit hospital or nonprofit hospital affiliated clinic in the state, after services paid by public or private payers. Patients between 201 and 400 percent federal poverty level would see, at a minimum, the standard sliding scale set in the -5 amendment. This proposed legislation will ensure patients families have access to necessary care regardless of income. Because the amendment is clear and detailed as written, OAHHS recommends removing Oregon Health Authority rulemaking for this section.

SECTION 4 – Patient screening and debt collection (all hospitals and all clinics)

Patient screening and debt collection provisions were not fully discussed during the interim workgroup process and have recently been a part of the policy conversation, therefore this section of the bill is not as fully baked as the financial assistance policy section. OAHHS recommends the following changes to Section 4 and understand this will be the intent of forthcoming amendments:

- Change screening requirements to an upon-request process as hospitals do not need to screen every patient, i.e., patients who have health care coverage
- Requires hospitals to send a copy of their financial assistance policy and an application for financial assistance prior to transferring medical debt to collections
- Clarify that hospitals must make reasonable attempts to determine eligibility for financial assistance before undertaking extraordinary collection actions
- Clarify that hospitals may not charge interest on debt owed for patients qualifying under financial assistance, for medically necessary services
- Change ‘detailed receipt’ to ‘record’ and insert timeline for a seven-year record retention

Sections 6– Spending floor program (all hospitals and affiliated clinics)

OAHHS cannot support the current proposed outline for the spending floor program. As written, the program applies to all hospitals and clinics, regardless of tax-exempt status and does not provide clear, uniform guidance of how this process will be applied objectively. In addition, the bill creates a new, untested authority in OHA without providing the resources or expertise that our members believe is critical to ensure the success of these vital programs to non-profit hospitals.

Section 8 – Hospital licensure statute

As discussed with the workgroup, OAHHS recommends removing Section 8 of the introduced version of HB 3076 as this section ties bill provisions to hospital licensure.

Next Steps

OAHHS welcomes continued opportunity to address the components of this bill with Rep. Salinas and stakeholders. The creation and implementation of a spending floor program is of biggest concern to hospitals. OAHHS and hospitals want to ensure the appropriate statutory direction for a rulemaking body of experts if the legislature provides OHA the ability to design a program to bring transparency and accountability to hospital community benefit.

Thank you,



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