From the Desk of
Senator
Lee Beyer

VOTE YES ON HB 2362, THE EQUAL ACCESS TO CARE ACT

AS WEALTHY HOSPITALS GOT RICHER DURING THE PANDEMIC, EXPERTS PREDICT WAVE OF BUYOUTS OF HOSPITALS AND CLINICS – RAISING THE ODDS OF PRICE HIKES AND REDUCED SERVICES

While the healthcare industry continues to suggest that hospitals have all struggled financially due to COVID, that's not what the Oregon Health Authority's most recent data show. The hospitals that were already succeeding before the pandemic largely continued to turn a profit, while the hospitals that have struggled financially for years continued to face challenges throughout 2020.

Here are the facts:

- With the exception of Kaiser, Oregon's major healthcare systems all made money on hospital operations in 2020.
- Even with the pandemic, more than 40 percent of Oregon hospitals reported higher operating margins in 2020 compared to 2019. For example, Samaritan Health System dramatically outperformed its 2019 overall operating margins, closing the year with a ten-fold increase its operating profits – from $4.4 million to $50.5 million.
- After receiving substantial support via federal grants and loans, many systems saw dramatic increases to their reserve funds and to days cash on hand. Days cash on hand is an easy measurement for understanding how many days of full operations the health system could afford, without collecting any additional payments, using its reserves.
    - Legacy's days cash on hand increased 68 percent from before the pandemic (March 31, 2019) -- up to 304 days as of March 31, 2021.
    - Some of the largest systems have more than a year of days cash on hand: Salem Health (418), PeaceHealth (411), St. Charles (360), and Asante (352).
    - Meanwhile, small independent hospitals have significantly smaller rainy-day funds. For example, Curry General Hospital saw its days cash on hand improve from a little more than a month (33 as of June 30, 2019) to only a little more than three months (101 as of June 30, 2020).

Healthcare systems were already acquiring independent hospitals and doctors' practices in Oregon before the pandemic. For example, in the Portland metro area, the share of physicians affiliated with large health systems grew from 39 percent in 2016 to 71 percent in 2018 – an 82 percent increase.

Heightened profits and generous taxpayer bailout for some, combined with continued financial strain for others, is causing experts to predict a wave of new healthcare mergers and acquisitions. We must pass HB 2362 to ensure that future deals prioritize patients, not profits.