

June 2, 2021

Oregon State Legislature
Joint Committee on Tax Expenditures
900 Court Street NE
Salem, OR 97301

Re: Senate Bill 143 – Rural Health Provider Tax Credit

Co-Chair Burdick, Co-Chair Nathanson, and members of the Joint Committee on Tax Expenditures:

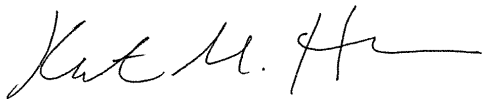
On behalf of Oregon’s 62 community hospitals and the patients they serve, the Oregon Association of Hospitals and Health Systems (OAHHS) strongly supports Senate Bill 143. This bill is vital to continued, highly needed access to health care in rural and frontier areas of Oregon by providing tax credits to health care providers who practice in those areas.

In 2015, the Oregon Legislature passed House Bill 3396 to study and evaluate Oregon’s health care workforce incentive programs, in light of then current and projected health care workforce shortages. The subsequent 2016 report by the Lewin Group for the Oregon Health Authority found that providing incentives to providers “in the form of tax credits and insurance subsidies would help in the effort to retain them within the state and will have the effect of increasing the amount of services supplied to rural locations in Oregon.”¹ While the state has several other workforce incentive programs that recruit people to work in rural Oregon, this tax credit is one of the only incentives that influences the long-term retention of providers.

Moreover, in the Oregon Health Care Workforce report released by the Oregon Health Authority in February 2021², it was found that the number of health care providers varies greatly across the state, with rural and frontier areas more likely to be underserved compared to urban areas. Specifically, the primary care capacity ratio (ability of current primary care providers to meet demand) is 23% lower in rural/ frontier areas compared with urban areas, while dentist FTE per capita is 40% less in rural/frontier areas compared with urban areas. The Oregon Office of Rural Health 2020 Oregon Areas of Unmet Health Care Need report³, which analyses community-level data on access to care and health care workforce capacity, further details the continued need for health care providers in rural and frontier Oregon. In their analysis, 62 of the 64 service areas that score lower than the statewide mean (49) for unmet need are rural or frontier.

OAHHS supports SB 143 as it is vital to retaining access to health care providers in underserved rural Oregon.

Thank you,



Katie Harris
Director of Rural Health & Federal Policy
Oregon Association of Hospitals and Health Systems

¹ <https://www.oregon.gov/oha/HPA/HP-HCW/Documents/Oregon%20Lewin%20%20Final%20report.pdf>

² <https://www.oregon.gov/oha/HPA/HP-HCW/Documents/2021-Health-Care-Workforce-Needs-Assessment.pdf>

³ <https://www.ohsu.edu/sites/default/files/2020-08/2020%20Areas%20of%20Unmet%20Health%20Care%20Needs%20Report.pdf>