



Chair Beyer, Vice Chair Boquist and Members of the Senate Finance and Revenue Committee,

The signatories to this letter represent provider groups and independent clinics, all of which are committed to providing quality, equitable access to care across the state. These groups stand in strong support of SB 1507, and Commercial Activity Tax (CAT) reforms that will increase access to medicine.

Currently, the CAT has a disproportionate impact in the field of medicine, which impacts patient access. Ophthalmology clinics, for example, frequently purchase expensive injectable medications that are provided to patients in-office, but the clinics have no control over the drug costs. These drugs are subject to the CAT tax, and this cost burden cannot be shifted from the clinic onto the patient in the ways that other industries pass the tax onto consumers. The ultimate result is that clinics are not able to purchase as much of these vision-saving drugs.

These drugs are very expensive— clinics have entire staff positions dedicated only to managing insurance authorizations. Cancer clinics buying expensive, life-saving chemotherapy drugs face similar challenges.

The providers signatory to this letter agree with the original goals of the CAT in advancing educational reforms that promote a vibrant workforce for Oregon and are willing to contribute

our share. Quality early education programs, equitable education for all children, and investments in programs that achieve higher graduation rates are worth the investment. However, we also believe public funds should be used in the most efficient manner to promote the best outcomes possible, and that access to medicine is a critical goal. We appreciate that the Committee has made time to discuss this policy this Session, and we look forward to continuing the conversation on meaningful CAT reforms, including exemptions for drugs, and receipts from public payers.

Thank you for your consideration,

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