HB 2723: New Provisions to the Rural Medical Provider Tax Credit

House Committee on Behavioral Health and Health Care – Richard Swift – 2.07.2023

Good evening, Chair Nosse, Vice Chairs Nelson and Goodwin, and members of the committee, my name is Richard Swift, please accept this statement for the record on behalf of Tax Fairness Oregon, a network of volunteers who advocate for a rational and equitable tax code. TFO's members have a range of experiences with the tax code over decades as professionals and volunteers. I spent my career in Oregon in local government focusing on health care, housing and human services. During that time I managed medical clinics and also directed and led the operations of a Federally Qualified Health Center (FQHC) with more than nine community and school based clinics offering physical, dental and behavioral health.

There is no doubt that Oregon, like many states, faces a crisis regarding access to health care that hits urban and rural communities alike. Solutions to this issue and its impact on social determinants of health have been and are pondered, discussed and debated on a daily basis across the state.

Oregon implemented a statewide accountable care model in 2012 with the launch of Coordinated Care Organizations (CCOs). Fifteen CCOs operate across Oregon and each is provided with a fixed global budget from the state. This financing strategy gives each the flexibility to create alternative payment methodologies for providers and to explore innovative strategies to support transformation based on the needs within their specific communities. This work includes provider compensation. The CCOs and the organizations that comprise them are experts in this work. I am very familiar with this setting as I sat on the Health Share of Oregon (HSO) Board for five years and was chair of the Finance Committee for the last three of those years. HSO administered over $2 billion across its systems of payment and compensation. As I discussed in my testimony for HB 2552 CCOs must occupy a primary role in addressing provider recruitment and retention, a key workforce challenge.

There has been significant testimony about how tax credits are "part of the toolkit." If Oregon wishes to resolve this workforce issue then it must focus on the educational costs and resulting debt. In pursuing any health care license type graduates are assured that they will accrue substantial debt. Oregon should be exploring ways to completely resolve debt for graduates. Current programs usually account for up to 50% of debt resolution, still leaving people with substantial loan obligations.

The growing lack of workforce across all licensure types is a crisis for Oregon. If tax credits really worked would we be here now? Attracting and retaining providers in rural settings is a challenge as it is everywhere. HB 2723 will not resolve this and worse it provides a false security that we are engaged in resolving this emergency when the reality is that we are headed off a cliff.

The legislature must work with the CCOs to provide solutions. HB 2723 will do nothing to resolve this challenge. TFO opposes this bill, it is bad policy.