



February 12, 2024

**Electronic Submission**

Senate Committee on Finance and Revenue  
Oregon State Legislature  
900 Court St. NE Salem, Oregon 97301

**RE: Salem Clinic Support for SB 1542**

Chair Meek, Vice-Chair Boquist, and Members of the Senate Committee on Finance and Revenue:

We strongly encourage your support for SB 1542, which modifies the Corporate Activity Tax (CAT) by exempting receipts from public payers: Medicaid, Medicare, the Public Employee Benefit Board (PEBB), the Oregon Educators Benefit Board (OEBB), the Children's Health Insurance Program (CHIP), and the U.S. Department of Defense (TRICARE). This stands to help independent providers in Oregon stay in business in these trying economic times.

Providing healthcare to individuals who are covered by public payers is crucially important. As are the public education funding goals of the CAT. Nevertheless, providers who provide care to individuals who are covered by public payers requires those providers to accept lower rates and more extensive administrative work than serving similarly situated individuals covered by commercial insurance. Consequently, the providers who serve individuals covered by public payers are essentially paying a tax for providing those services to those individuals. Exempting the receipts from public payers from the CAT would do an awful lot to offset this tax of sorts that they are experiencing.

For these reasons, we urge the committee to approve SB 1542 to ensure continued access to high-quality healthcare in Oregon.

Ryan Farwell  
Salem Clinic, Administrator