



Service Employees International Union – Oregon State Council

4101 SE 5th Avenue, Portland, OR 97204

February 7, 2024

To: The House Committee on Behavioral Health and Health Care

Fr: Matt Swanson, SEIU Oregon State Council

Re: Opposition to House Bill 4139

Chair Nosse, Co-Chairs Nelson and Goodwin and Members of the Committee:

My name is Matt Swanson, and I am here representing the Service Employees International Union (SEIU). SEIU is an organization of 85,000 working Oregonians who are members of our Union. Our mission is to achieve a higher standard of living for our members, their families, and dependents by elevating their social conditions and by striving to create a more just society.

SEIU approaches healthcare policy from the perspectives of our members. This includes members who work in health facilities and homes delivering critical care, members who collectively are significant purchasers privately and through PEBB, and of course SEIU members and their families who use the system as patients.

On behalf of our members, I am here today to testify in opposition to HB4139. SEIU believes the state of Oregon must take a thoughtful, strategic approach to healthcare planning, especially given finite resources. Stemming from this value, we are in strong support of the current Certificate of Need Program.

First, a bit of history. Oregon's Certificate of Need program has been in existence for over fifty years (since 1971). According to OHA's, the program "arose out of the legislature's desire to achieve reasonable access to quality health care at a reasonable cost." We believe that desire remains true for our state and legislature today.

The Certificate of Need (CN) program is critical to our state's ability to efficiently deliver quality healthcare at a reasonable cost. But how does it do that? The Certificate of Need program is less of a certificate and more of a process designed to lower costs by ensuring economies of scale, avoiding duplication of services and efficiently distributing services across the state to where they are needed. The program also includes basic quality safeguards so that when Oregonians seek care there is some reasonable expectation of quality.



Service Employees International Union – Oregon State Council

1101 SE 5th Avenue, Portland, OR 97204

These minimum quality and cost standards are represented in eight very clear criteria that an applicant must successfully prove they have met. While the process provides opportunities for community input, it also provides repeated chances for an applicant to revise and re-revise their application and submit additional information if they choose to do so. This process is designed so that any project that meets the healthcare needs of Oregon patients and is proposed by a quality operator is given nearly infinite opportunities to be approved.

Indeed, very few applications in the history of the program have been denied. But that number is not zero. If HB4139 were to pass, applicants that have been denied or declared incomplete under the CN process would be able to proceed with constructing psychiatric hospitals, despite the state finding that they had failed to meet the standards set forth in the CN process.

For example, the Oregon Health Authority denied the CN application of Universal Health Systems, or UHS in 2017[i]. The company failed to meet seven of the eight criteria. During the application process, SEIU shared its serious concerns about UHS's demonstrated record of failing to comply with basic patient health and safety requirements expected of all hospitals in communities across the US.

But you don't have to take our word for it. Prominent media outlets such as the *Dallas Morning News*[ii], *Boston Globe*[iii] and *Chicago Tribune*[iv], just to name a few, have chronicled the questionable practices and troubling breakdowns in care at facilities operated by UHS. *BuzzFeed News*[v] investigated how scores of employees and patients have said that UHS turns patients into profits by locking patients in and holding them until their insurance runs out.

This is just one example of how Oregon's CN program provides a critical first line of defense for Oregon patients. It keeps actors with poor quality records out and makes sure that beds are opened in the communities that need them, not just where the most profitable patients live. Now is not the time to create gaping holes in the program. Now continues to be the time to channel Oregon's precious resources towards delivering quality care at a reasonable cost, and the CN program remains an essential tool in achieving that goal.

We think HB4139 would be detrimental to Oregon patients, further strain a stretched resource, and provide no guarantee that quality operators would open where the need is greatest. We do not want to create a loophole that would allow companies with concerning track records to open additional hospitals in our state. We strongly urge you to oppose this legislation.



[i] [Application](#) was submitted under the name NEWCO Oregon, Inc. In 2021 a different CN application by the same company was granted approval, but with [significant conditions](#).

[ii] Wilonsky, Robert. "Dallas' Timberlawn was sanitarium, 'human salvage factory,' house of horrors since 1917. Now it's gone." *Dallas Morning News*, 26 November 2019.

[<https://www.dallasnews.com/news/commentary/2019/11/26/dallas-timberlawn-was-sanitarium-human-salvage-factory-house-of-horrors-since-1917-now-its-gone/>]

Moffeit, Miles. "Danger in the Psych Ward: Safety Issues Plague a Chain of Mental-Health Hospitals in Texas and Across the United States." *Dallas Morning News*, 18 March 2016.

[<https://interactives.dallasnews.com/2016/danger-in-the-psych-ward/>]

[iii] Edelman, Larry. "Universal Health Services to pay more than \$127m to end allegations of improper billing." *Boston Globe*, 13 July 2020. [<https://www.bostonglobe.com/2020/07/13/business/universal-health-services-pay-more-than-127m-end-allegations-improper-billing/>]

Kowalczyk, Liz. "Family says Arbour Health System tried to commit their daughter with fraudulent section form." *Boston Globe*, 24 October 2016.

[<https://www.bostonglobe.com/metro/2016/10/24/family-says-arbour-health-system-tried-commit-their-daughter-with-fraudulent-section-form/qXIJQ9ksFr0aqobNkimOiO/story.html>]

Kowalczyk, Liz. "Five Arbour hospitals under investigation." *Boston Globe*, 6 March 2016.

[<https://www.bostonglobe.com/lifestyle/health-wellness/2016/03/06/five-arbour-hospitals-under-investigation/6IzpUukCAaD8YjIEMyEI/story.html>]

Kowalczyk, Liz. "High court agrees to hear 'Here' case involving death of Mass. teen." *Boston Globe*, 17 January 2016. [<https://www.bostonglobe.com/metro/2016/01/17/high-court-agrees-hear-here-case-involving-death-mass-teen/WUIXMgzFOJfBsh6d04hWRK/story.html>]

[iv] Rumsey, Emily. "6 Women Sexually Abused by Counselor at Women's Rehab Center, Timberline Knolls, Prosecutors Say." *Chicago Tribune*, 7 March 2019.

[<https://www.chicagotribune.com/2019/03/07/6-women-sexually-abused-by-counselor-at-womens-rehab-center-timberline-knolls-prosecutors-say/>]



Smith, Stephanie. **"Workers at Rockford Girls Center Therapy Included Cartoons, Faked Records."** *Chicago Tribune*, 20 February 2015. [<https://www.chicagotribune.com/2015/02/20/workers-at-rockford-girls-center-therapy-included-cartoons-faked-records/>]

Smith, Stephanie. **"Violence at Rock River Academy: 'I Was Getting Punched, Kicked'."** *Chicago Tribune*, 2 December 2014. [<https://www.chicagotribune.com/2014/12/02/violence-at-rock-river-academy-i-was-getting-punched-kicked/>]

Justice Department expands psychiatric hospital probe to 3 more Illinois facilities. *Chicago Tribune*. January 23, 2013. [<https://www.chicagotribune.com/2013/01/23/justice-department-expands-psychiatric-hospital-probe-to-3-more-illinois-facilities/>]

[v] Adams, Rosalind. **"What The Fuck Just Happened?" Lock them in. Bill their insurer. Kick them out. How scores of employees and patients say America's largest psychiatric chain turns patients into profits.** *BuzzFeed News*, 7 December 2016.

[<https://www.buzzfeednews.com/article/rosalindadams/intake>]