



March 18, 2025

Oregon State Legislature  
Senate Committee on Health Care  
900 Court Street NE  
Salem, OR 97301  
*Submitted electronically via OLIS*

**RE: SB 842, relating to increasing hospital licensing fees**

Chair Patterson and Members of the Committee:

On behalf of Oregon's 61 community hospitals, we oppose SB 842, which will substantially increase the annual license fees that hospitals must pay. This bill will increase health care costs for consumers, patients, employers, and hospitals to benefit the Oregon Health Authority (OHA), which already has a budget of more than \$35.9 billion dollars.<sup>1</sup> We oppose this bill.

SB 842 outlines plans for OHA to significantly increase annual licensing fees on hospitals and their satellite locations. If this bill were to go into effect, the annual licensing fee for most hospitals and satellite facilities would be approximately five times higher.<sup>2</sup> This is a remarkably large increase.

This bill will increase health care costs, and add financial strain to hospitals, at a time when hospitals and our communities cannot afford it. More than half of Oregon's community hospitals are operating in the red. No organization, or household for that matter, can operate indefinitely in the red. With skyrocketing costs and insufficient payments from insurers—including the state's largest insurer, the Oregon Health Plan—hospitals are making tough choices about the services they can offer.

<sup>1</sup> <https://www.oregon.gov/oha/Budget/OHA-2025-27-GB.pdf> 2023-25 biennium budget listed on pages 17 and 18: \$35,924 million Total Funds (or \$35.9 billion)

<sup>2</sup> OHA current licensing fee schedule:

<https://www.oregon.gov/oha/PH/PROVIDERPARTNERRESOURCES/HEALTHCAREPROVIDERSFACILITIES/HEALTHCAREHEALTHCARE/REGULATIONQUALITYIMPROVEMENT/Documents/ALLFACILITIESFeeSchedule.pdf> compared to proposed rates



Oregon's community hospitals are more than just places where we can access lifesaving care, they are cornerstones of their communities. Often, they are the largest employer in their region—helping power the local and state economy—and are a key source of well-paying jobs, something that is hard to find in many areas of our state. As we talk to community and business leaders, we consistently hear that if their community hospital were to close or cut major services it would challenge the economic viability of their region.

This bill would divert resources away from patient care to fund OHA. Between the 2019-21 and 2023-25 bienniums, OHA's budget increased by 47% (from \$24.3 B to \$35.9 B) and its staff by 30% (from 4,300 FTE to 5,604 FTE).<sup>3 4</sup> OHA should not be looking to hospitals for more resources as our members amongst others in health care continue to struggle.

Increasing fees on hospitals will not make OHA more effective, but it will put access to care for Oregonians at risk. Our hospitals have been inundated by new, often conflicting rules and guidance coming out of OHA. Across a number of programs, OHA is failing to follow legislative direction and causing administrative harm to our hospitals.

We have tried to meaningfully engage with OHA about this bill, but it has been a challenge. Ultimately, it seems that the wide range of OHA's purported purposes for the fee increases reveals there is no real purpose at all. In any event, now is not the time to increase health care costs to support a government agency.

We ask that the committee vote no on SB 842.

Sincerely,



Travis Meuwissen  
Director of Government Affairs  
Hospital Association of Oregon

<sup>3</sup> LFO 2023-25 Budget Review (Steve Robbins) and OHA 2025-27 Agency Request Budget, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/263540>, OHA 2019-2021 actual budget was \$24,284,778,270 (page 1) and OHA's FTE was 4,300.20 (page 1)

<sup>4</sup> <https://www.oregon.gov/oha/Budget/OHA-2025-27-GB.pdf> OHA total budget for the 23-25 biennium was: \$35,924 million Total Funds (Pages 17 and 18); OHA's FTE was: 5,604 (Page 28)



### **About the Hospital Association of Oregon**

Founded in 1934, the Hospital Association of Oregon (HAO) is a mission-driven, nonprofit trade association representing Oregon's 61 hospitals. Together, hospitals are the sixth largest private employer statewide, employing more than 70,000 employees. Committed to fostering a stronger, safer, more equitable Oregon where all people have access to the high-quality care they need, the hospital association supports Oregon's hospitals so they can support their communities; educates government officials and the public on the state's health landscape, and works collaboratively with policymakers, community based organizations and the health care community to build consensus on and advance health care policy benefiting the state's four million residents.



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