

Providence Health & Services
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March 18, 2025

Senate Committee on Health Care
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

Re: SB 842 – Hospital licensing fees

Dear Chair Patterson, Vice-Chair Hayden, members of the committee,

Providence is committed to providing access to high-quality health care in our communities. As the chief financial officer overseeing the financial position of eight hospitals in Oregon, both urban and rural, I'm writing to share our perspective on SB 842. At a time when health care financing stability is precarious at best, Providence is opposed to legislation that would codify additional cost to hospitals without value to our communities.

SB 842 would increase the annual Oregon hospital licensing fee paid to the Oregon Health Authority (OHA) by 400% for most Oregon's hospitals. This drastic increase in an annual fee is especially problematic in that it adds costs to hospitals but does not improve community access or quality of health care. We value the partnership with OHA and would recommend working with the organization to help them achieve their goals with their current levels of staffing.

This bill drastically increases fees on hospitals when what is needed is legislative efforts that will sustain hospitals. Hospitals are confronting difficult decisions based on the reality that the cost of care continues to far outpace provider reimbursement, driven in part by inflation and the labor market. In Oregon, one-third of patients are on Medicaid, which reimburses less than 60 cents on each dollar of expense incurred to treat a patient, and uncertainty at the federal level continues to raise serious concerns. A fee increase of this proportion with no tangible return will be challenging.

Providence also has concern with the proposed late fee, which would be greater than the annual license renewal fee for small, often rural community based, long term care facilities. As responsible health care entities, staying current on accounts payable should be assumed with good intent. A late fee that would need to be paid to continue viability can be overly burdensome and not in the spirit of community good.

Thank you for the opportunity to provide comment and we urge you to join us in opposition to SB 842.

Respectfully,

A handwritten signature in cursive script that reads "Melissa Damm".

Melissa Damm
Chief Financial Officer, Central Division
Providence Health & Services