

Chair Patterson, Vice Chair Hayden and members of the committee. I'm Marty Carty, Director of Government Affairs for the Oregon Primary Care Association, here today on behalf of Oregon's 33 Federally Qualified Health Centers in support of SB 1001.

Health centers are the backbone of the primary care safety net, providing care to all regardless of ability to pay. In 2023, Oregon's health centers served more than 470,000 people in high-need urban, rural, and frontier communities across the state. A majority of health center patients are either uninsured (15%) or covered by Medicaid (61%). Health centers depend on grants and the 340B program to supplement health insurance payments and finance services that insurance does not cover, such as nutrition and clinical pharmacists. Health centers provide medical, mental health, substance use disorder, and dental services. They serve populations with unique challenges accessing care, such as people experiencing homelessness, or migratory and seasonal farm workers.

In the current economic environment health centers are grappling with rising wages due to workforce shortages and inflationary pressures. Additionally, expenses continue to escalate, driven by advancements in technology and increased patient demand for services. These rising costs significantly strain budgets for health centers, which already operate on razor thin margins. In 2022, 57 percent of health centers in Oregon reported an operating margin of less than 5 percent. Of those, twelve reported a negative margin and five had margins between zero and five percent. While this doesn't mean that every health center will operate on negative margins, it signals that health centers are struggling to keep up with rising costs as the [volume of patient visits increases](#), and drug manufacturers withhold 340B savings.

Just this year we've seen two health centers in Oregon make tough decisions. At La Pine Community Health Center, they reduced their workforce by eleven percent due to uncertainty in federal funding and Coast Community Health Center in Bandon gave 30-days' notice that it would close its doors entirely. The sudden closure of essential services would have left little opportunity for the area health care system to adjust, leaving residents without access to essential health care services. Thankfully, the community and another health center in the region stepped up to stabilize health care services on the southern coast.

In communities across this state just like La Pine and Bandon, health centers play a crucial role in providing access to comprehensive high quality health care. SB 1001 is vitally important and will provide the resources necessary to ensure the long-term availability of health care services in communities along Oregon's southern coast.