

March 19, 2025

Dear Members of the Senate Committee on Health Care.

My name is Raymond Hino. I am a resident of the City of Bandon, Oregon and I currently serve as the Chief Executive Officer of the 21-bed Southern Coos Hospital & Health Center, which is also located in Bandon. We are a Health Care District, created by Oregon Statutes, ORS 440.315 to 440.410, and have been serving the Community of Bandon and outlying areas, continuously for 45 years (since 1960). We are also a Critical Access Hospital, as defined by the Centers for Medicare and Medicaid Services and the Federal Government. As a Critical Access Hospital, we are limited to no more than 25 beds, and our primary mission is to serve the rural communities of Southern Coos County and Northern Curry County in Southwest Oregon.

I am appearing before you today to speak in support of SB 1050, which, if approved by the legislature, would appropriate \$2.2 million for distribution to the Southern Coos Hospital & Health Center to expand access to primary, specialty and pharmacy services, in and around Bandon, Oregon.

I would like to explain to you today, why this funding is needed.

1. Southern Coos Hospital serves a population that is underserved for primary care providers, specialists and retail pharmacy services, while also serving a patient base that is:
 - More rural than the State Average (38.1% vs 19.5%)
 - Older than the State Average (28.9% vs 19.6%)
2. These trends were identified, most recently, in Southern Coos Hospital's 2023 Community Health Needs Assessment. In the 2023 report the following areas were identified as the top 5 most critical areas of need:
 - Fast track/ same day clinic appointments
 - Convenient Retail Pharmacy
 - Weekend Clinic Availability
 - Evening Clinic Availability
 - More Active Care Management
3. In the past 2 years, the supply of primary care providers, specialists and retail pharmacy services in Bandon, Southern Coos County and Northern Curry County has gotten worse.

There are 4 primary care clinics in Bandon. They include: Southern Coos Hospital & Health Center, Coast Community Health Center, North Bend Medical Center Satellite Clinic and the Medical Office of Dr. Douglas Crane.

In 2023 there were approximately 15 providers in those 4 clinics. Today there are 7 providers, serving the same population. The attrition is as follows:

- Southern Coos Hospital & Health Center (from 4 to 3 primary care)
- Coast Community Health Center (from 8 to 2 primary care)
- North Bend Medical Center (from 2 to 1 primary care)
- Douglas Crane (1 primary care provider)

And with this attrition, has come a lack of access. With the announced closure of Coast Community Health Center on January 15 of this year, thousands of local residents were left scrambling for a new physician provider. Coast Community Health Center has since announced that they will remain open, but the fact remains that if you live in Bandon or its surrounding areas and are seeking to establish with a provider, the waiting time is anywhere from months to see a provider, to unknown when a new patient may be seen.

4. The Bandon community is down to 2 retail pharmacies, and they are both struggling.

- The 2 pharmacies are (1) Rite Aid (National Chain Drug Store) and (2) Coast Community Health Center Pharmacy. And while we watch as Rite Aid stores are closing across the country and the shelves continue to get more and more bare at our local Rite Aid, we find that hours of service are getting shorter and we are concerned about the future of our local store.
- As far as Coast Community Health Center is concerned, on January 15 of this year, it was announced that Coast Community Health Center and their local Retail Pharmacy would close on February 15. The loss of 1 of 2 pharmacies serving our area, when even 2 was not enough, was a major catastrophic announcement for our area. Fortunately, on January 24, Coast Community Health Center announced that, due to favorable plans for a merger with Roseburg, Oregon based FQHC, Adapt Integrative Health, that the health center and pharmacy would remain open beyond February 15, and would eventually transition to sustainable control under Adapt Integrative Health.
- Due to the instability of the 2 local pharmacies, Southern Coos Hospital & Health Center has applied for an Oregon Board of Pharmacy license, Drug Enforcement Agency (DEA) license, and has begun plans to construct a 3rd retail pharmacy in Bandon. This pharmacy, which will serve the entire community, is expected to open in April of this year.

5. What will the funds be used for?

- Build and open a new retail pharmacy, located inside our current Clinic Building, located on the campus of Southern Coos Hospital & Health Center.
- Remodel an existing business office building, to be converted to a 2nd Clinic Building, located on the campus of Southern Coos Hospital & Health Center.

This 2nd Clinic building is necessary because the current clinic building is occupied at maximum capacity with 3 primary care providers, 1 mental health professional and an outpatient infusion department. In order to attract additional physicians and providers to Southern Coos Hospital and Bandon, we need to be able to provide additional clinic space, so we are proposing to convert an existing business office professional building into a 2nd clinic and thereby open space for 3 more primary care and specialist providers on our hospital campus, and thereby doubling our current capacity for primary care and specialist providers.

- Recruitment, hiring and onboarding of 2 additional primary care providers in Bandon. These funds will support Southern Coos Hospital's costs for recruiting new providers, as well as hiring and onboarding additional staff to support the new providers, including training and new equipment requirements.

And finally,

6. Southern Coos Hospital & Health Center has a financial need for assistance.

We are a small, rural hospital that has weathered the storm, so far, from the COVID pandemic and the challenges that are facing all hospitals in our State. For the past 4 years, we are operating at slightly better than break-even, which in, of itself, is an accomplishment in today's challenging environment for hospitals.

- For Fiscal year 2023 – 2024, the results of our Annual Independent Audit were that we ended the year with a total margin gain of less than \$200,000 on an operating budget of \$33.0 million. The reason that we had a total margin gain was the \$1.0 million in property tax revenues that Southern Coos Hospital receives as a Health Care District.
- In the current fiscal year, we continue to invest in our facility and in our community. We have just completed the implementation of a new electronic health record system that aligns our hospital with 90% of hospitals in the State of Oregon on the Epic electronic health record system. We did it because was getting increasingly difficult to recruit newly trained physicians and providers to our community with our antiquated system. But the new electronic health record system has come at a cost as well. We are financing \$3.0 million dollars over the first 2 years.
- SB 1050 will help our hospital to continue to recruit high quality physicians, providers and a retail pharmacy that will meet the needs of our community and help to ensure the financial viability of Southern Coos Hospital, with the physicians and providers that our community needs to support our population.