

DATE: May 28, 2025

TO: Senator Mark Meek, Chair
Senate Committee on Finance and Revenue

FROM: Resa Bradeen, MD
Chief Medical Officer, Metropolitan Pediatrics
Medical Director, Children's Health Alliance

SUBJECT: SB 125 Corporate Activities Tax Healthcare Exemption – Verbal Testimony

My name is Dr. Resa Bradeen and I am the Chief Medical Officer at Metropolitan Pediatrics, an independent clinic serving families in the Portland metro area and the Medical Director at the Children's Health Alliance, whose members include independent pediatric practices located in the metropolitan Portland area and beyond. Thank you for the opportunity to share my support for SB 125 — a targeted and urgently needed fix to Oregon's Corporate Activities Tax (CAT) that will help clinics like mine continue caring for our most vulnerable patients.

We care for children from all walks of life — many of whom are insured through the Oregon Health Plan (OHP). Our mission is to keep kids healthy, in school, and on track, but the financial reality of doing so is becoming unsustainable.

Under the current CAT structure, independent clinics are being taxed on already inadequate Medicaid payments. These are not profits — the payment we receive does not cover the cost of staff, supplies, and overhead. In addition, the costs passed on to us from suppliers who also pay the CAT adds to additional costs for which we are not adequately compensated.

Medicaid reimburses far less than commercial plans. Meanwhile, the cost of running a practice has skyrocketed. Staffing shortages, inflation, and burnout are all taking a toll. Without some relief, more clinics will be forced to cut services or close their doors — particularly in rural and underserved areas.

SB 125 offers a modest, commonsense fix. It does **not** eliminate our responsibility to contribute to the CAT. It simply carves out the portion of our revenue that comes from public payers like Medicaid and Medicare — funds that are non-negotiable and already below cost. This change would give us breathing room to focus on patient care, recruit and retain staff, and stay independent.

Pediatrics isn't just about vaccines and check-ups. It's about preventing long-term health issues, catching developmental delays early, and being a trusted resource for families. But we can't do that if the financial math doesn't work.

I urge you to pass SB 125 to preserve access to pediatric care across Oregon. Kids shouldn't have to suffer because the clinics that serve them can't afford to stay open.

Thank you for your time and for supporting children's health.

