



May 29, 2025

Senator Mark Meek, Chair
Oregon State Capitol
Senate Committee on Finance and Revenue
900 Court St NE
Salem, OR 97301

Re: Support for SB 125 – Ending Triple Taxation on Health Care

Dear Chair Meek and Members of the Committee,

I am writing in strong support of SB 125, which would exempt certain health care services—including those provided to Medicaid and Medicare recipients—from Oregon’s Corporate Activity Tax (CAT). As a physician and CEO of an independent practice serving Oregon families, I see firsthand how the current tax structure threatens the sustainability of practices committed to providing care to our most vulnerable populations.

At Central Oregon Pediatric Associates, we proudly serve a high volume of patients insured by the Oregon Health Plan. While we remain committed to caring for all children regardless of insurance status, the triple taxation we face today is not sustainable. We are taxed once on already under-reimbursed Medicaid payments, again on essential prescription treatments purchased and dispensed in our offices, and yet again when suppliers pass their CAT burden down to us through higher costs. This cascade adds up to hundreds of thousands—if not millions—in added expenses for Oregon clinics.

Since the pandemic, our costs have soared, and administrative demands have grown. At the same time, Medicaid and Medicare reimbursement rates have not kept pace. According to the AMA, Medicare payments have dropped 29% since 2001, while the cost of providing care has risen over 120%. This imbalance is driving independent practices out of business or forcing them to limit access to publicly insured patients.

If we want to preserve access to preventative care, particularly for children and underserved communities, we must correct this flawed policy. SB 125 is a logical and urgently needed measure that will help stabilize independent health care clinics, preserve access to care, and prevent long-term cost increases resulting from deferred treatment and emergency room overuse.

I respectfully urge your support of SB 125 and thank you for your leadership on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Logan Thomas Clausen".

Logan Thomas Clausen, MD FAAP

CEO, Central Oregon Pediatric Associates