

June 11, 2025

The Honorable Kayse Jama, Chair
Senate Committee on Rules

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RE: Support for SB 1173

Senator Jama, Members of the Committee,

Thank you for the opportunity to testify in support of SB 1173.

Salem Health is a nurse-led, nonprofit organization operating two hospitals and a network of primary and specialty care clinics serving communities in the mid-Willamette Valley. Our mission is to improve the health and well-being of the people we serve.

Hospitals routinely purchase a wide range of prescription drugs and medical devices from manufacturers—essential tools that enable us to provide critical health care services. However, current Oregon case law places an undue burden on hospitals, holding us legally responsible as if we were the manufacturers of these products. No other state in the nation permits a strict liability claim against hospitals and clinics for defective products regardless of whether they designed, manufactured, or had any control over the product in question.

I’m specifically referring to the Oregon Supreme Court ruling in *Brown v. Providence*. Salem Health along with other health care institutions submitted amicus curia—or “friend of the court”—brief in the case. Despite our efforts, the Court ruled that hospitals qualify as “sellers” under Oregon’s strict product liability statute (ORS 30.920) when we supply and administer drugs as part of patient care. However, it should be noted that in response to multiple questions from members of the appellate court during oral argument, the attorney for Brown argued that if hospitals and clinics wanted immunity from products liability claims, they should address that matter with the legislature and that is why we are bringing this issue to you at this time.

While this ruling stemmed from a hospital-related case, it impacts health care clinics of every size and type across Oregon. No other state imposes this type of liability structure, making Oregon an outlier in its treatment of health care providers.

That is why I urge you to pass SB 1173 with the -2 amendment. Your support will provide timely and necessary clarity to Oregon's statutes, ensuring that health care organizations can continue to focus on patient care without bearing liability for the actions of manufacturers or others.

Thank you again for the opportunity to provide testimony on this critical policy.

Sincerely,



Ellen Hampton
Chief Corporate Integrity Officer