

Submitter: Tracy Sweely  
On Behalf Of:  
Committee: House Committee On Health Care  
Measure, Appointment or Topic: HB4075  
To: Treasurer Steiner and Legislators,

This submission is in elaboration of testimony I have submitted previously. I am again urging you to pass House Bill 4075 that would provide an avenue and mechanism for Bay Area Hospital to refinance a loan it currently carries and increase its reimbursement rates. With extensive and growing financial challenges in the industry, this bill would be an effective lifeline at no cost to taxpayers and would contribute revenue to the Common School Fund.

New leadership has demonstrated remarkable success over a short, 4-month period in turning the hospital's finances around, despite the fact that the hospital has unique financial challenges that set it apart from other hospitals in the state. It has an unusually high concentration of government insured patients (more than 75% in FY 2025), yet as a DRG hospital it doesn't receive cost-based reimbursements, while also competing with three Critical Access Hospitals within 27 miles. While leadership continues to implement service line expansion, revenue-enhancing and cost-saving measures, there is still need for assistance while they explore long-term solutions that will withstand economic headwinds to achieve financial sustainability.

During the hearing for HB 4075 a sentiment was expressed that this measure may be "too innovative." However, innovative solutions are exactly what is needed precisely because of Bay Area Hospital's unique challenges. I would counter that the alternative of receiving no help from that state would be "too detrimental." Without the assistance from HB 4075 the hospital faces serious risk of being downgraded to Type B resulting in job losses, extreme travel burdens on patients throughout the region, preventable deaths, and higher costs to the state. Please pass HB 4075.

Respectfully,  
Tracy Sweely