

Feb. 11, 2026

Oregon State Legislature
Senate Committee on Health Care
900 Court Street NE
Salem, OR 97301
Submitted electronically via OLIS

RE: SB 1529, relating to health care

Chair Patterson, Vice-Chair Hayden, and Members of the Committee:

On behalf of Oregon's 60 community hospitals, we oppose SB 1529—a bill that creates a new risk to access to health care services that our communities need. Although the bill has good intent behind it, the process it establishes to try to achieve that intent will place the governor in an unprecedented and inappropriate position, and it will interfere with the relationship between insurers and hospitals in ways that will create unintended consequences that go far beyond the intended impact. For example, SB 1529 will interfere with hospitals' ability to obtain terms that are essential for sustaining hospital services and preserving access to care for Oregonians.

The -1 amendment to SB 1529 sets up a process where a provider, such as a hospital or clinic, and health insurer are required to agree to participate in the mediation and arbitration process set forth in the bill. If the mediation process outlined in the bill does not result in an agreement, the provider and insurer must participate in the binding arbitration process. The governor or the governor's designee serves as the arbitrator, and the terms set by the governor or governor's designee are binding on the provider and health insurer. If either the provider or health insurer fails to implement the final determination issued by the governor, the provider or health insurer must pay the full cost of mediation and arbitration and, if ordered, civil penalties.

Under this process, providers will lose the ability to protect themselves from terms that are unacceptable, such as rates that are insufficient to sustain health care services. A contract with an insurer that does not sufficiently reimburse a hospital for care that it provides affects the hospital's ability to maintain staffing levels, invest in new technology, and keep critical service lines open. Over time, insufficient reimbursement



will lead to reduced access to care, longer wait times, and even the closure of essential services. Forcing providers into terms with insurance companies that they would otherwise not agree to will further destabilize an already fragile health care system. Imposing civil penalties when providers do not follow the terms will divert additional dollars away from the bedside.

The process set forth in the -1 amendment will be expensive for providers, insurers, and the state. The state will have to establish the new process, including its enforcement structure. We expect it will be necessary for providers and insurers to have access to the courts to seek review of the governor or governor's designee's decision.

The -1 amendment to SB 1529 raises serious constitutional questions. It introduces an unprecedented dynamic between the governor and private parties by expanding the role of the governor or the governor's designee to be the arbitrator in disputes between insurers and providers. This framework in the -1 amendment to SB 1529 gives the governor or the governor's designee the ultimate power to set the terms between providers and insurers. This is an extraordinary departure from how our health care system currently functions. The -1 amendment will undermine negotiations between two private parties, interfering with their expectations and ability to safeguard their rights.

Our communities and our patients cannot afford Oregon to move to this untested process. We welcome conversations with stakeholders to develop new ideas to address the good intent behind this proposal.

For the reasons explained above, we ask that the committee vote no on SB 1529.

Sincerely,



Travis Meuwissen
Director of Government Affairs
Hospital Association of Oregon

About the Hospital Association of Oregon

Founded in 1934, the Hospital Association of Oregon (HAO) is a mission-driven, nonprofit trade association representing Oregon's 60 hospitals. Together, hospitals are the sixth largest private employer statewide, employing more than 70,000 employees. Committed to fostering a stronger, safer, more equitable Oregon where all people have access to the high-quality care they need, the hospital association supports Oregon's hospitals so they can support their communities; educates government officials and the public on the state's health landscape, and works collaboratively with policymakers, community based organizations and the health care community to build consensus on and advance health care policy benefiting the state's four million residents.



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