



Sept. 27, 2024

Looking ahead to the 2025 legislative session

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The political landscape

Presidential race: Views on health care

Vice President
Harris

- Focus on ensuring affordable and accessible health care.
- Strengthen the ACA marketplace.
- Pursuit of health care anti-trust and fraud.

Former
President
Trump

- Focus on improving competition and choice in health care.
- Make the ACA "better for less money."
- Restructure Medicaid financing, eligibility, and benefits.

Each candidate's health care ambitions will be impacted by whether the Senate and the House are under their own party's leadership...

And there are razor thin majorities in Congress

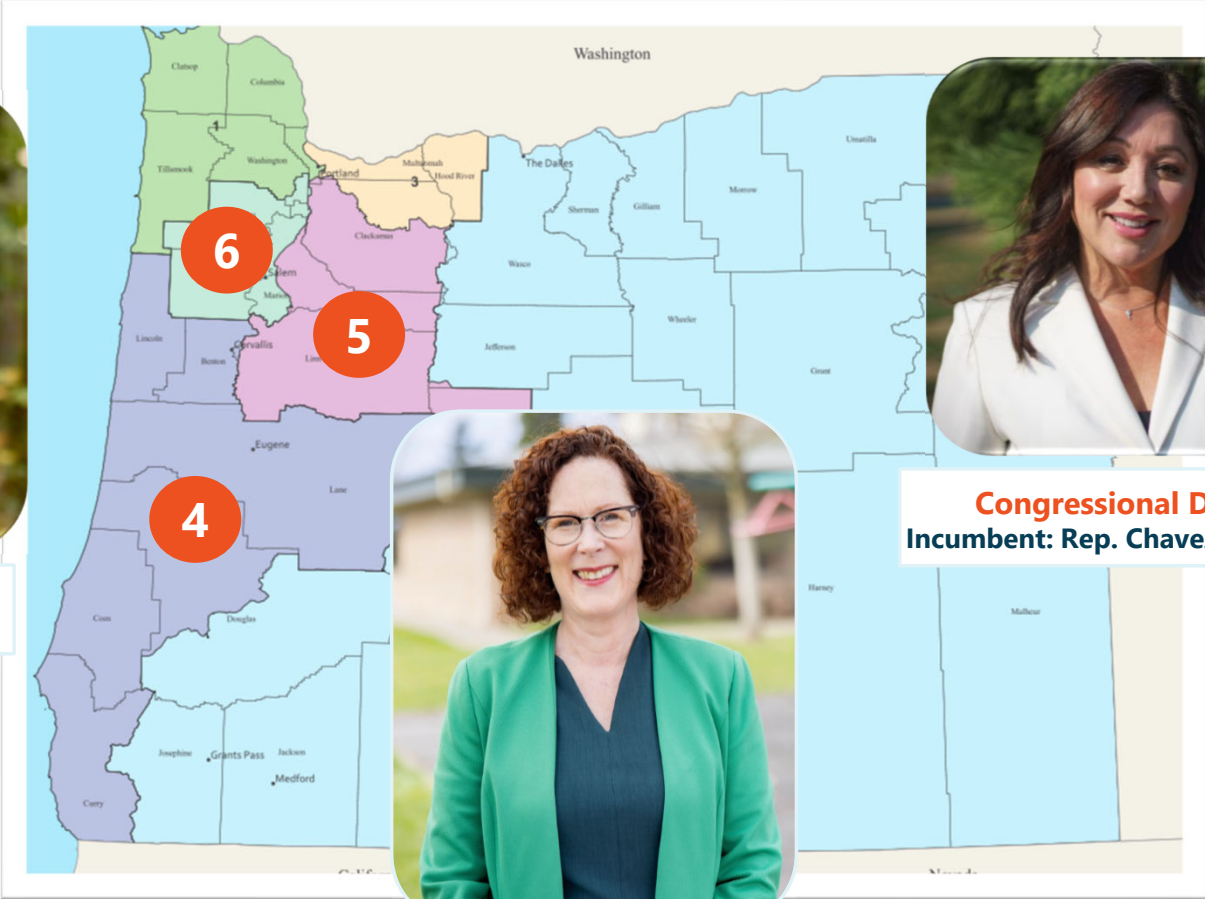
- 53 non-returning members of Congress
 - Senate: 8 competitive races
 - House: 69 competitive races

FEDERAL LANDSCAPE

Oregon House races will be key



Congressional District 6
Incumbent: Rep. Salinas (D)



Congressional District 4
Incumbent: Rep. Val Hoyle (D)



Congressional District 5
Incumbent: Rep. Chavez DeRemer (R)

STATE LANDSCAPE

Oregon: Senate political dynamics



Senate President Rob Wagner
(D-Lake Oswego)



Majority Leader Kathleen Taylor
(D-SW Portland)



Minority Leader Daniel Bonham
(R-The Dalles)

STATE LANDSCAPE

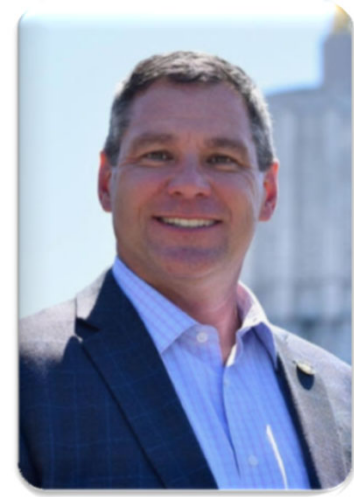
Oregon: House political dynamics



**Speaker of the House Julie Fahey
(D-West Eugene)**



**Majority Leader Ben Bowman
(D-Tigard)**



**Minority Leader Jeff Helfrich
(R-Hood River)**

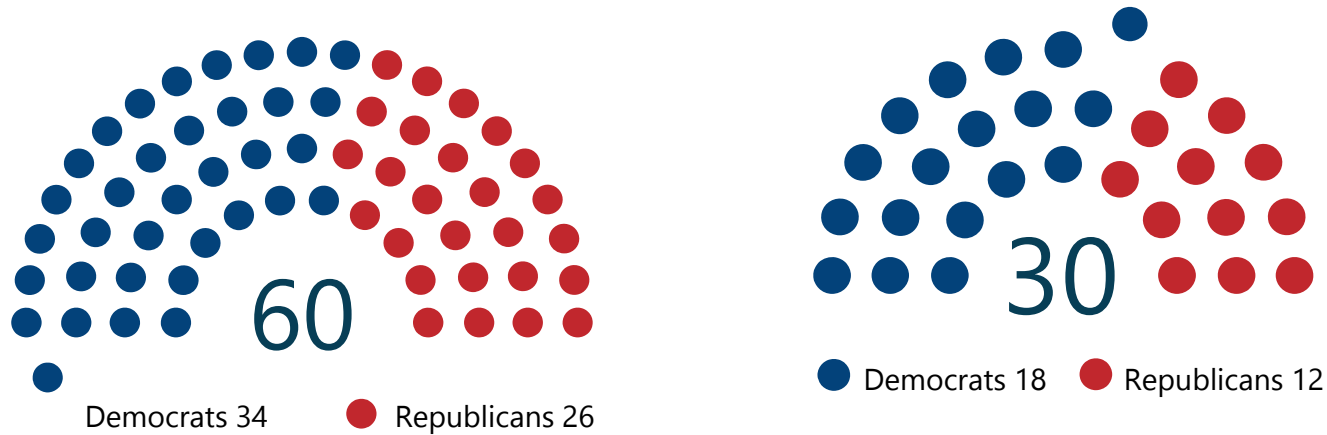
Governor Kotek

- Second long session as Governor
- Top Priorities include:
 - Housing
 - Education budget
 - Transportation budget



STATE LANDSCAPE

Projected makeup of the 2025 Oregon Legislature



- 2020 redistricting reinforced safe districts resulting in **fewer contested seats**.
- Possible +1 Democrat in SD 27 (Bend/Redmond) – creating Senate supermajority.
- House Democrats are two seats away from a supermajority.

Legislative leadership priorities for the 2025 session*



Housing and homelessness



Transportation



Education budget

*Joint Committee on Addiction and Community Safety Response will continue into 2025 legislative session.

Ballot Measure 118: "The Oregon Rebate"



Hospital Association of Oregon opposes Measure 118



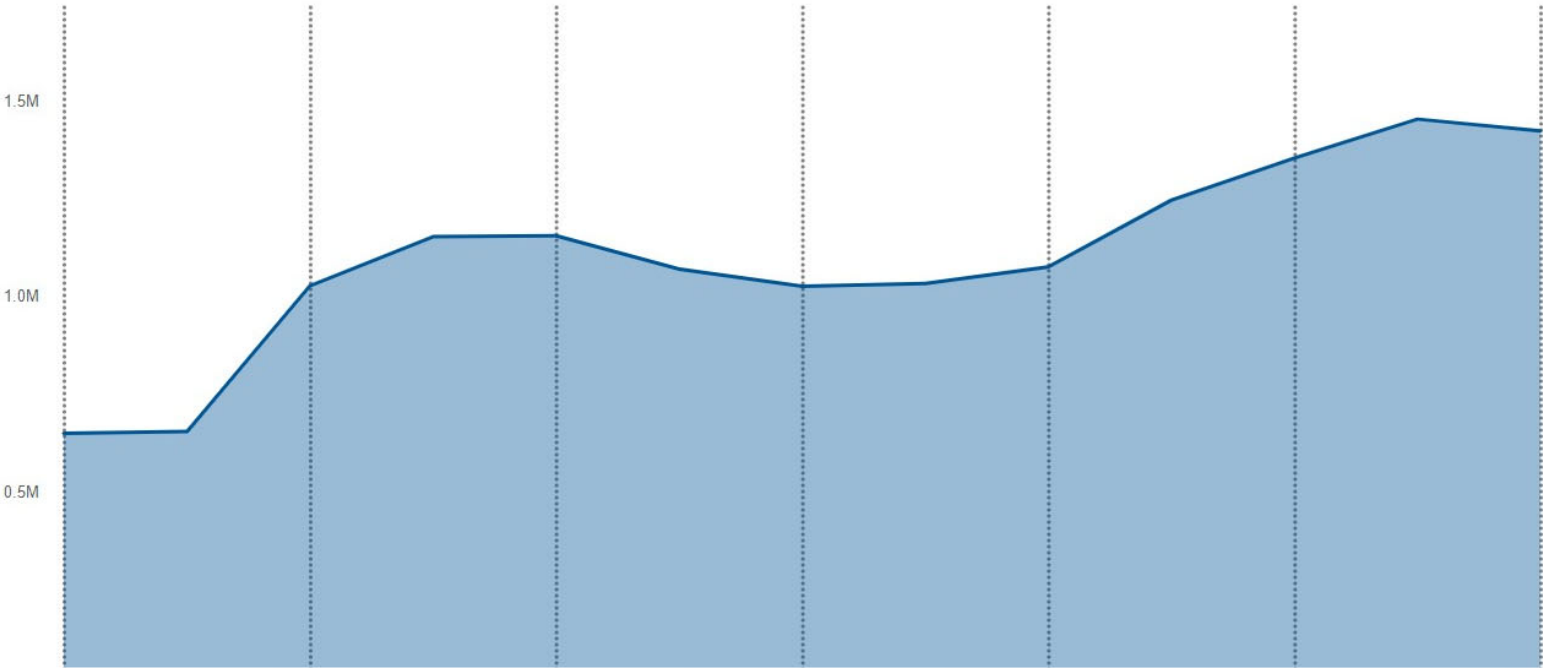
- Corporations in Oregon **sales** will be subject to a minimum tax of 3% on sales in Oregon over \$25 million. The funds will be used to send a check to every Oregonian.
- Advocates claim the checks will be around \$1,600. The state must also replace any federal benefits reduced due to the additional income.
- Overwhelming opposition to the measure:
 - **Both sides of the aisle:** Governor Kotek, Democratic and Republican Legislative Leadership.
 - **Business community:** Hospital Association of Oregon, Oregon Business and Industry, and more.
 - **Labor:** Oregon Education Association, SEIU, and more.

How hospitals are doing

Hospitals are anchors in the communities they serve



Policy changes led to expansion of Medicaid coverage



Currently, 1-in-3 Oregonians is on Medicaid, including 56% of all Oregon kids.

Medicaid underpayments are impacting Oregon hospitals



Oregon hospitals received payment of only

70 cents for every dollar they spent caring for Medicaid patients in 2022.

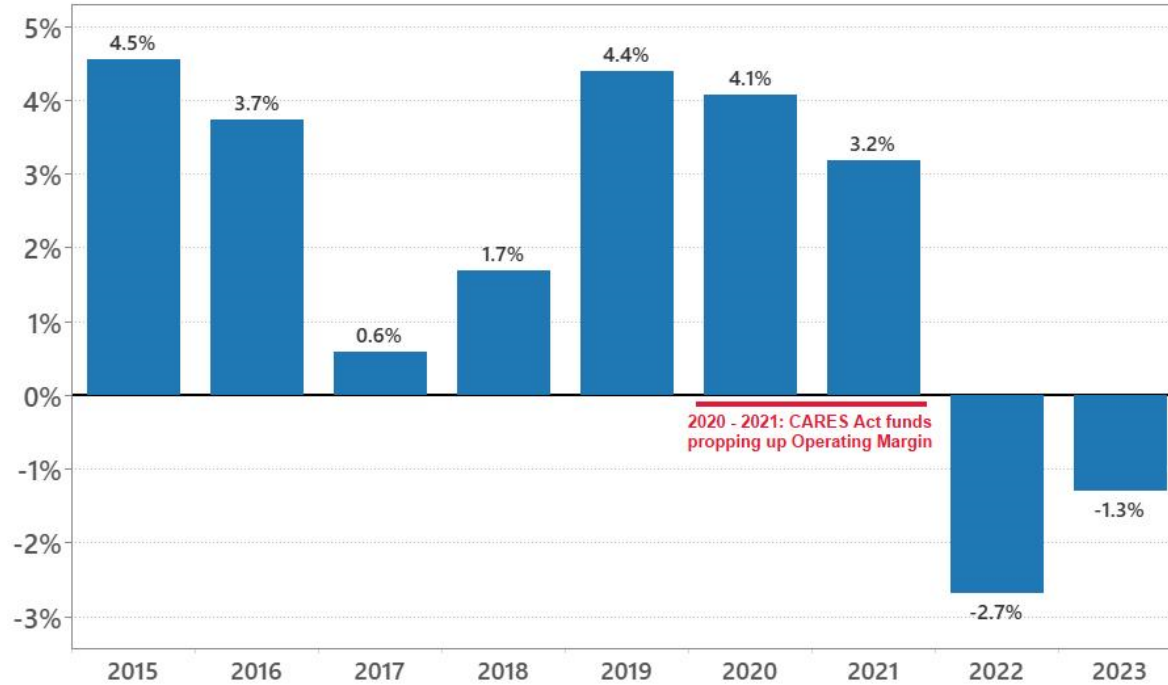


In 2022, Medicaid underpayments totaled

\$1.1 billion, which was 20% higher than the year before.

Hospital sustainability in question

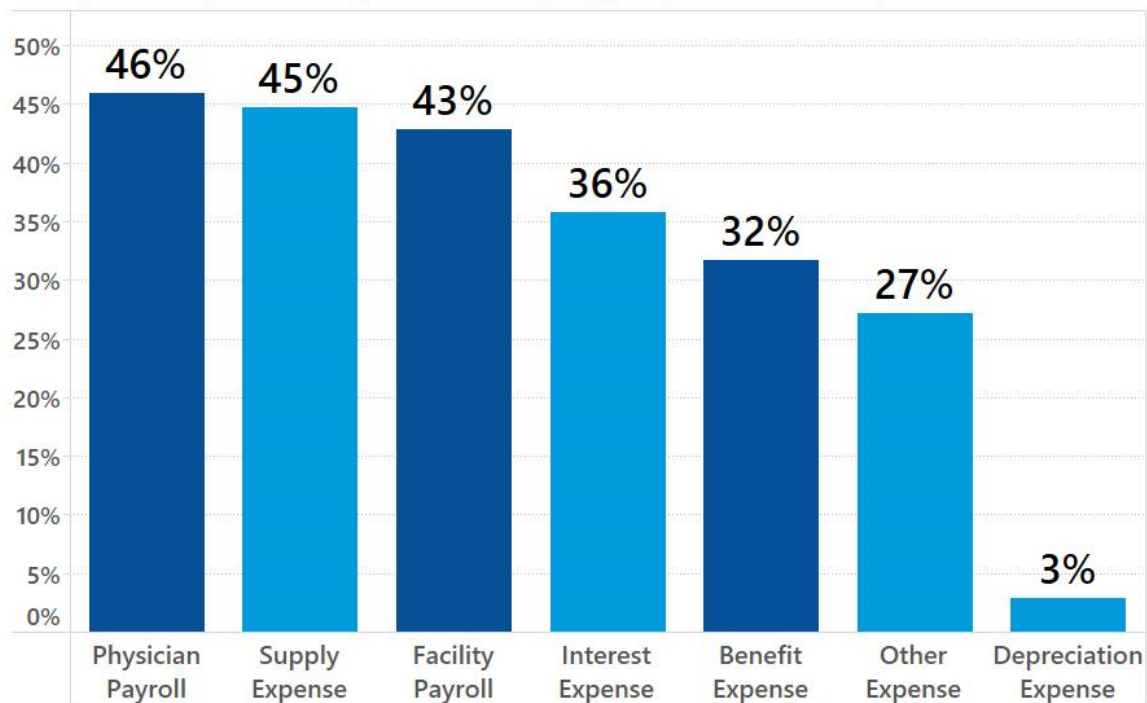
Median Operating Margin Percentage by Year
2015 - 2023



Without emergency federal relief, Oregon hospitals would have seen negative operating margins four years in a row.

Hospitals' expenses are rising faster than their revenue

Hospital Expenses - (Percent Change since Q1 2020)



Since Q1 2020, net patient revenue increased by 31.9%, while key expenses, such as payroll, have increased by 43%+.

Patients are staying in hospitals longer due to discharge challenges

Average Length of Stay

Q1 2013 - Q2 2024



Notably, we have not returned to pre-pandemic levels. Compared to Q4 2019, patients are staying 9 hours and 7 minutes longer.

Health insurers' practices are driving up hospitals' expenses

March 21, 2024

Trend Alert: Private Payers Retain Profits by Refusing or Delaying Legitimate Medical Claims

Population Health | Cost Management | Blog | Policy



Health insurers' practices are driving up hospitals' expenses

St. Charles will no longer accept Medicare Advantage plans from Humana, HealthNet and WellCare

By MORGAN OWEN The Bulletin Oct 6, 2023 Updated Oct 6, 2023 0



An entrance of St. Charles Bend seen here in 2020.
Bulletin file

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Hospitals making tough decisions to maintain access to care



Rural hospitals 'in crisis mode,' with situation worsening, says new report



Closure of Behavioral Health services, layoffs announced at Bay Area Hospital



Asante Ashland Community Hospital ICU to close by Jan. 1



Oregon Health & Science University to lay off hundreds of workers

Hospitals making tough decisions to maintain access to care

Oregon **Capital Chronicle**

PeaceHealth plans to close emergency, other services at University District hospital in Eugene



Maternity wards are closing in Oregon and at rural hospitals across the country

Baker City Herald

Baker City maternity ward's looming closure has expectant parents fearing the worst



Our 2025 legislative priorities

Protecting access to care



**Fully fund OHP and
increase payments to
hospitals**



**Help patients transfer to
the next appropriate
level of care**



**Patient-centered
insurer reform**

Hospital financial stability

- **Advocate for reauthorization** of the provider & premium taxes to fully fund the Oregon Health Plan (OHP).
- **Increase OHP payments** to hospitals so they can continue to serve our communities.

Hospital discharge challenges

- **Create more timely access** to long-term services and supports (such as care in community-based settings or nursing homes) for OHP members by presuming their eligibility for coverage.
- **Extend benefits for skilled nursing facility**-level care for OHP members.
- **Increase base rates for adult foster care homes**, adopt an acuity-based model and address rate parity

Promote patient-centered insurer reform

- Work with members, partners, and insurers to find policy solutions for a better system for patients, including, but not limited to:
 1. Making it easier for patients to understand and access health care benefits.
 2. Improving utilization management, claims processing, and patient billing.

Other anticipated bills that could impact hospitals

- **Wages and staffing:**
 - On-Call Minimum Wage
 - Home Health and Hospice Staffing Committees
- **Business operations:**
 - Certificate of Need
 - Corporate Practice of Medicine
 - Banning facility fees for primary care
- **Safety:**
 - Behavioral Health Workplace Safety
 - Hospital Workplace Violence Prevention
- **Programs and services:**
 - Mandatory HIV/Syphilis Testing in EDs
 - 340B Contact Pharmacies

Discussion



Hospital
Association
of Oregon

Thank You

Questions?