

SEPTEMBER 29, 2023



Oregon Health Care Landscape

Sean Kolmer
Executive Vice President, External Affairs

About the Hospital Association of Oregon

Hospital Association of Oregon Structure



Membership Organization



**Data and Analytics
subsidiary**

Hospital Association of Oregon Board of Trustees

Charlie Tveit

CEO | Lake District Hospital

Cheryl Wolfe (Chair)

President & CEO | Salem Health

Dennis Knox

CEO | Mid-Columbia Medical Center

Doug Boysen (Chair Elect)

President & CEO | Samaritan Health Services

Gil Munoz

CEO | Virginia Garcia Memorial Health Center

Harold Geller

CEO | St. Anthony Hospital

Jenni Word

CNO | Wallowa Memorial Hospital

Jennifer Burrows

Chief Executive | Providence St. Vincent

John Hunter

CEO | OHSU Health System

Joyce Newmyer

Chief People Officer | Adventist Health

Kathryn Correia

President & CEO | Legacy Health

Lee Saltzgaber

CMO | Bay Area Hospital

Richard DeCarlo

EVP & COO | PeaceHealth

Wendy Watson

COO | Kaiser Permanente

Steve Gordon

CEO | St. Charles Health System

2023 – 2025 Strategy Framework



**Strong Policy
Leadership and
Advocacy**



**Active Member
and Stakeholder
Engagement**



**Sustainable
Infrastructure
for Today and
Tomorrow**

Our Current Environment

The Impact of COVID-19

Three Stages of a Pandemic Economy:

Crisis Stage

Largely a monetary event characterized by major stimulus funding

Stabilization Stage

Largely a credit event as we adjust to outcomes of crisis including staffing shortages, surging inflation, tightening monetary policy and market volatility

Normalization Stage

The “new normal” is established

The Impact of COVID-19 (continued)

Highlighted and Exacerbated Existing Problems

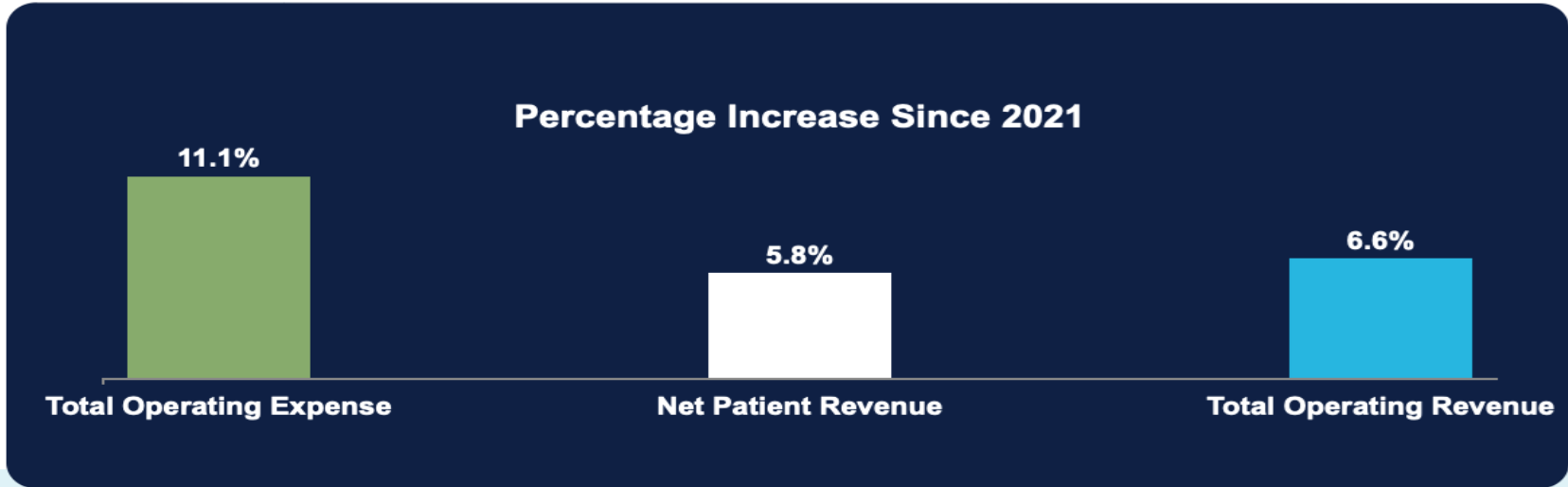
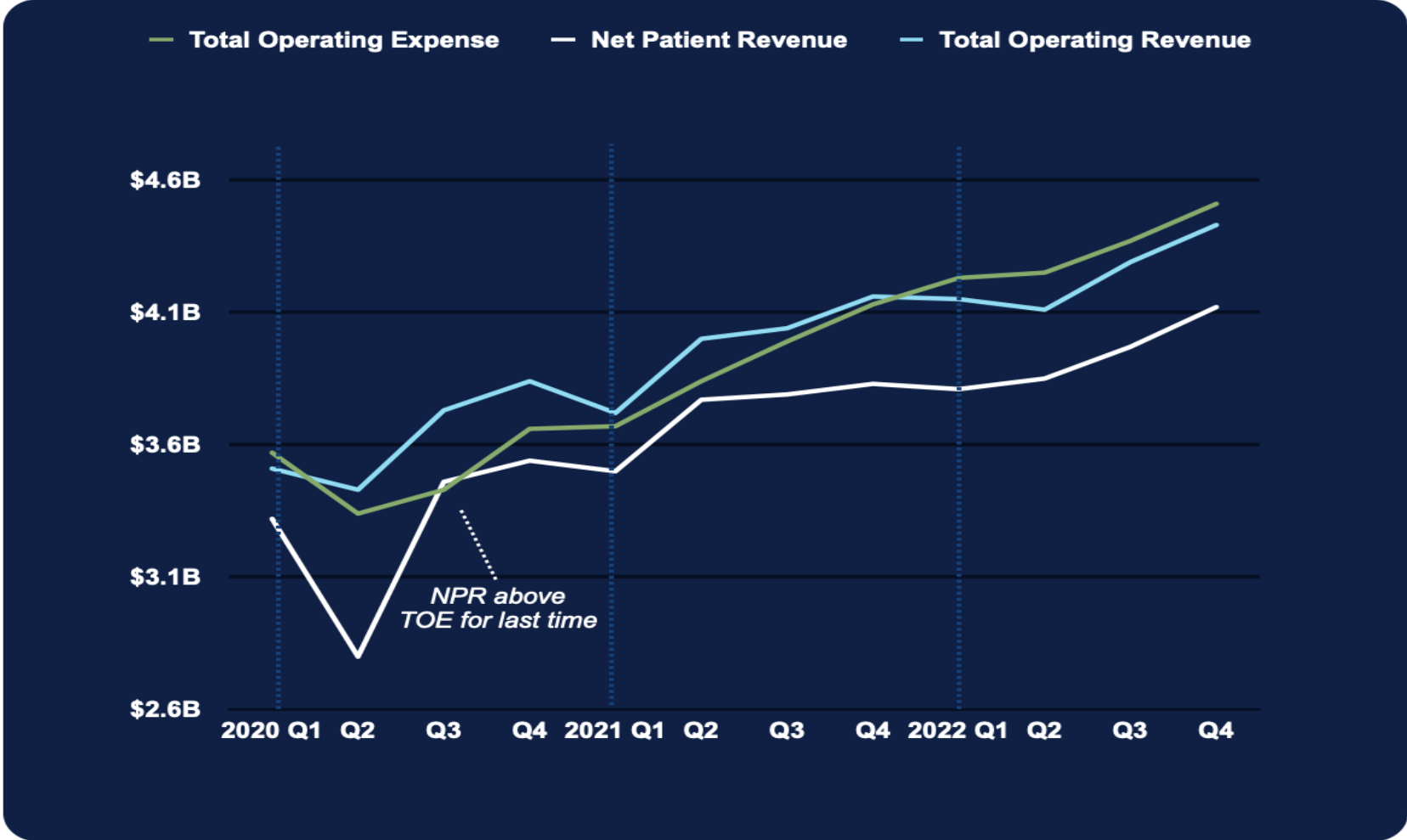
- Lack of workforce and rising labor costs
- Capacity challenges

Impacts on Hospital Finances

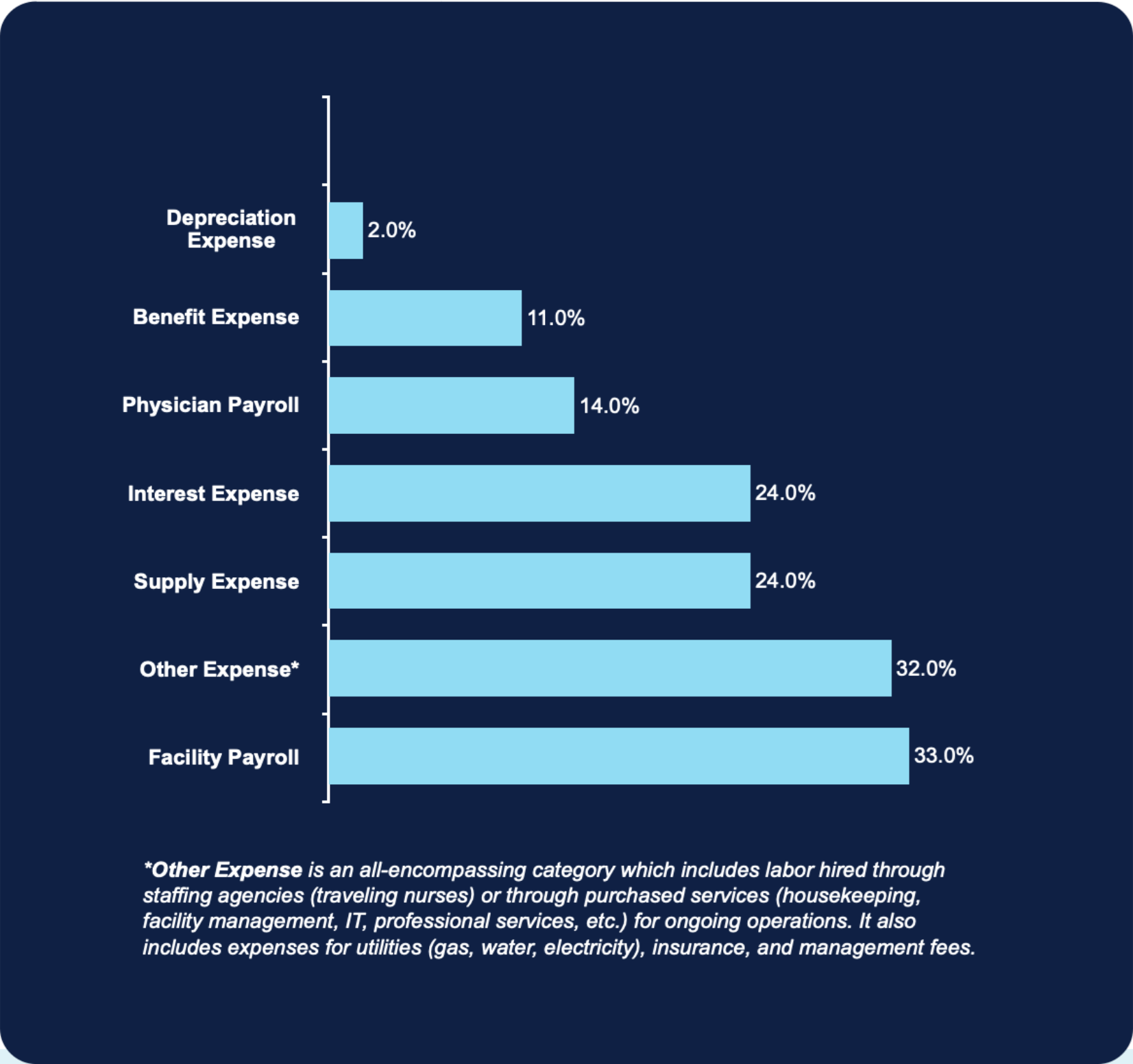
The Big Financial Picture

- CY 2022 was the worst financial year on record for hospitals since 1993
- Expense pressures—particularly with the cost of labor—outpaced revenues and drove poor performance
- While emergency department visits and operating room minutes increased slightly, hospitals struggled to discharge patients due to internal staffing shortages and shortages at post-acute facilities

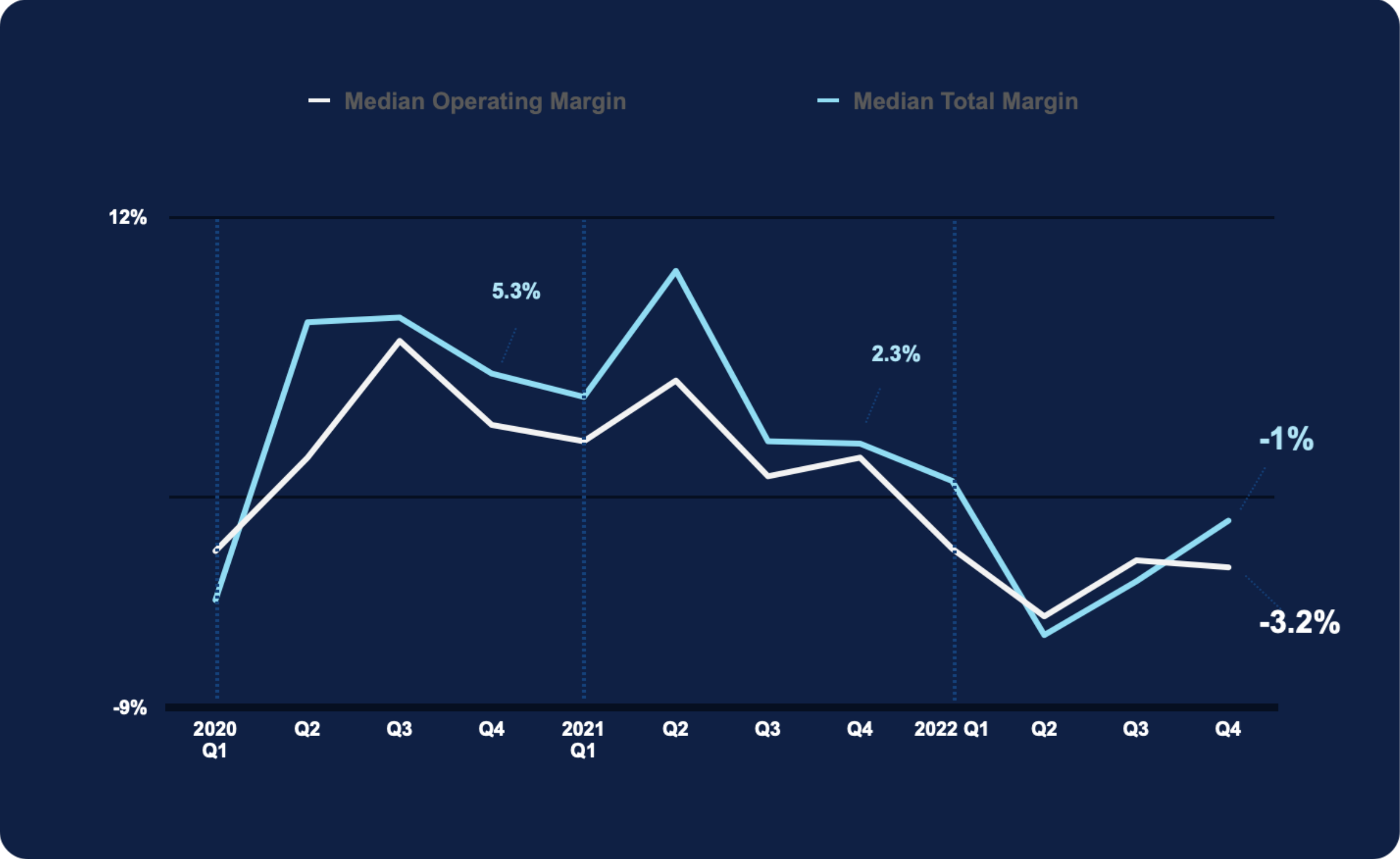
Expenses Continue to Outpace Revenue



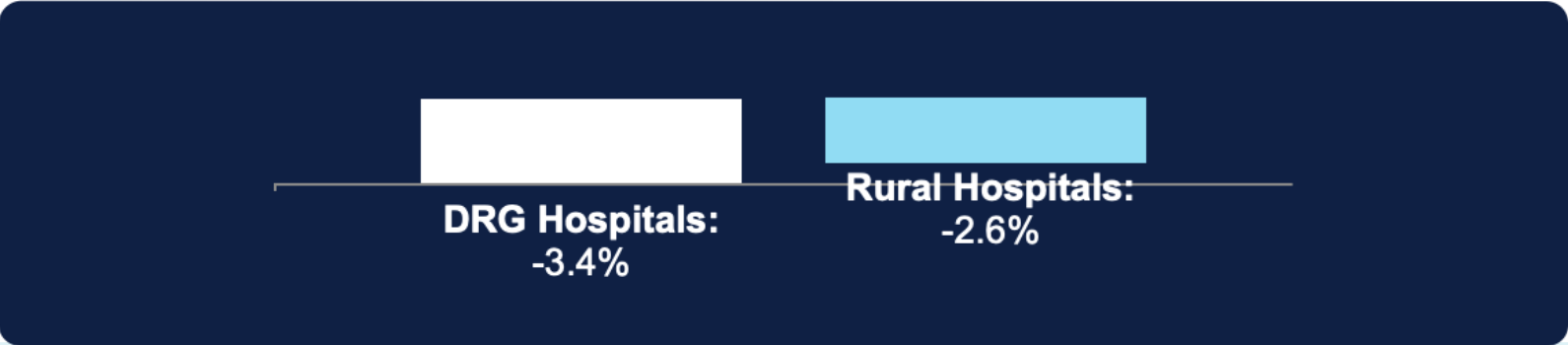
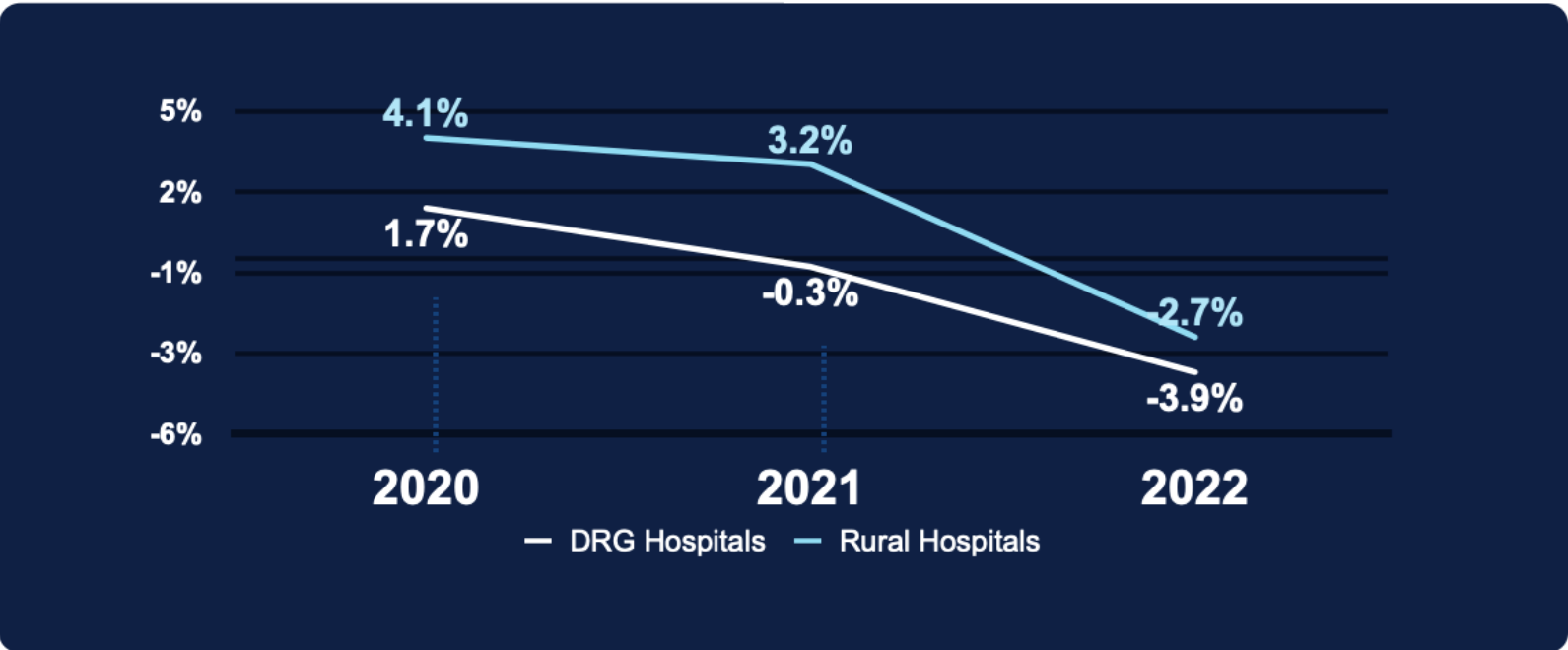
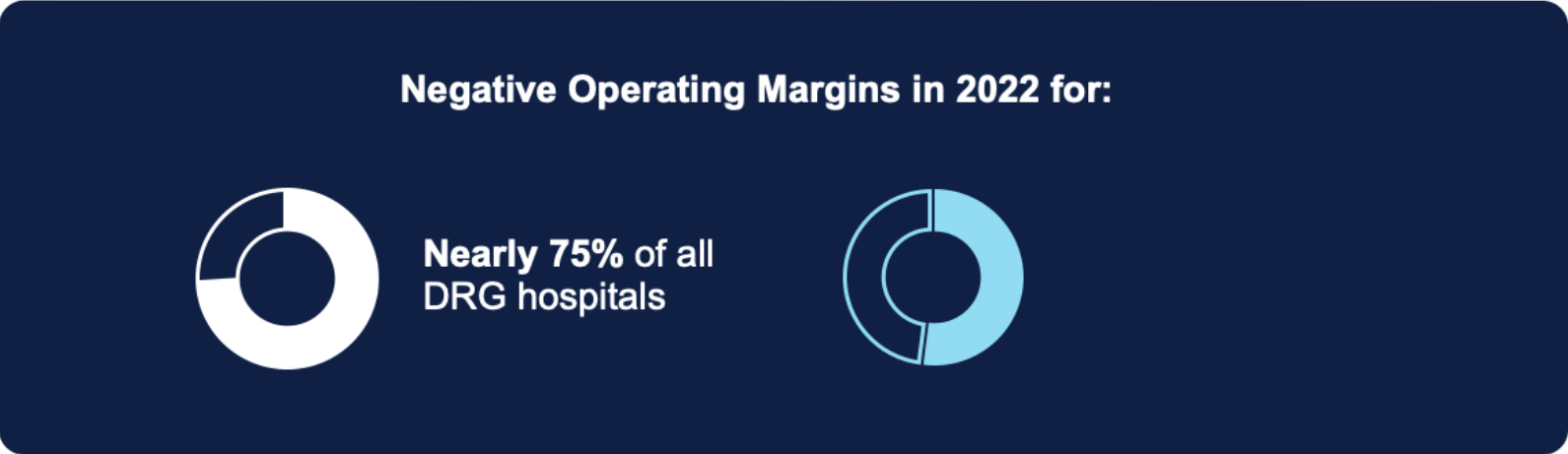
Labor Costs Continue to Drive Expenses



Margins Remain at All-Time Lows



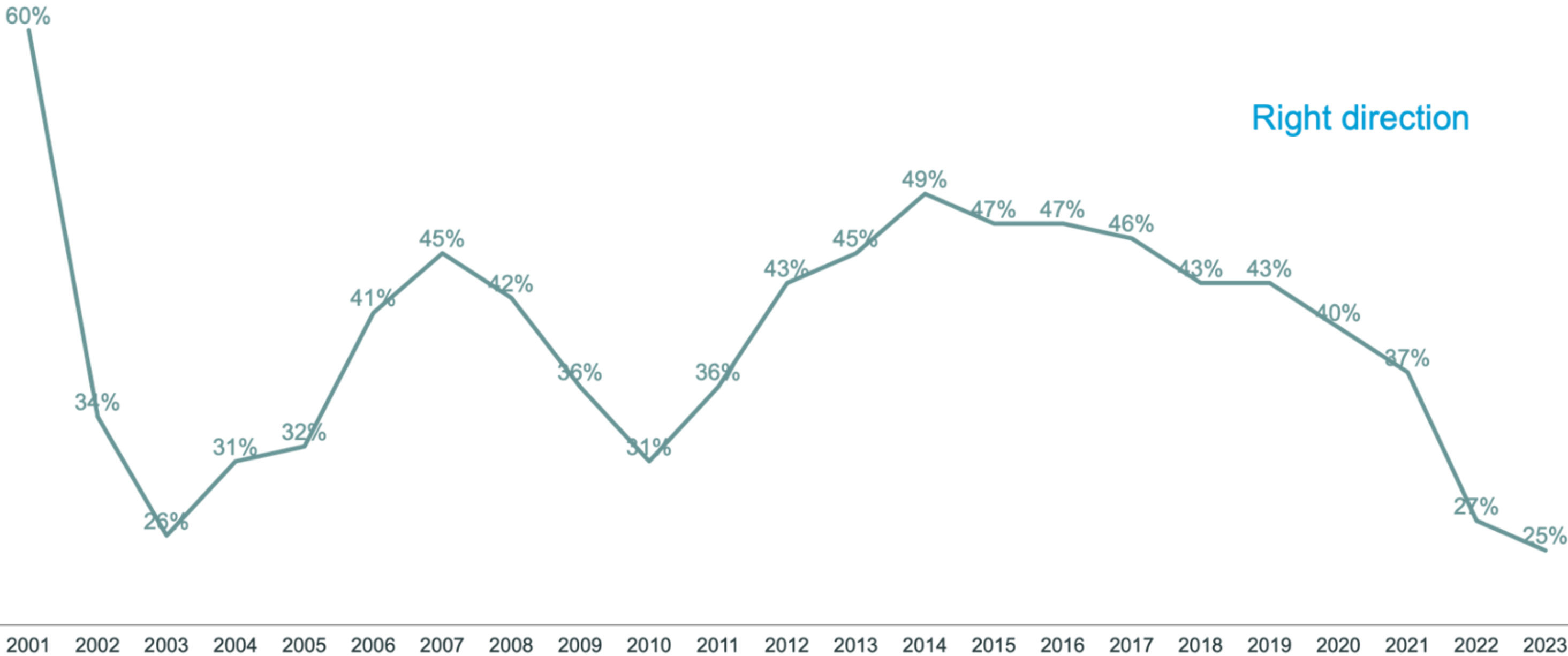
Urban Hospitals Continue to Fare Worse than Rurals



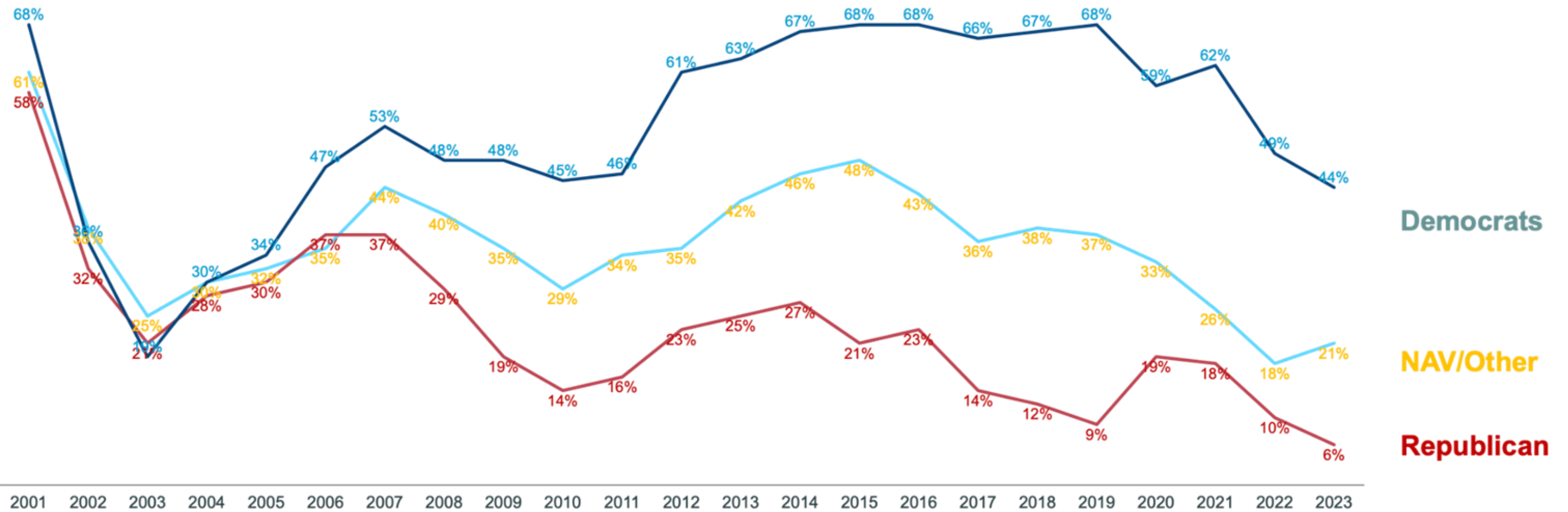
Public Opinion Check-Up

DHM Research

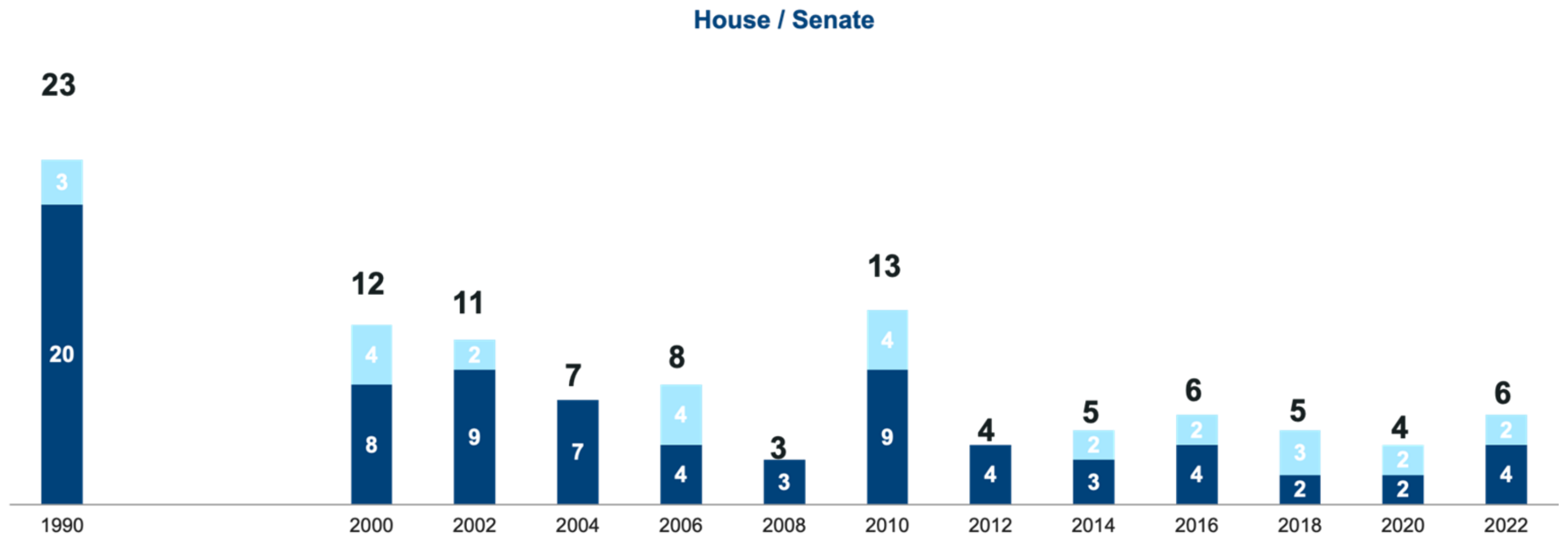
Satisfaction with the direction of the state is at twenty-year low.



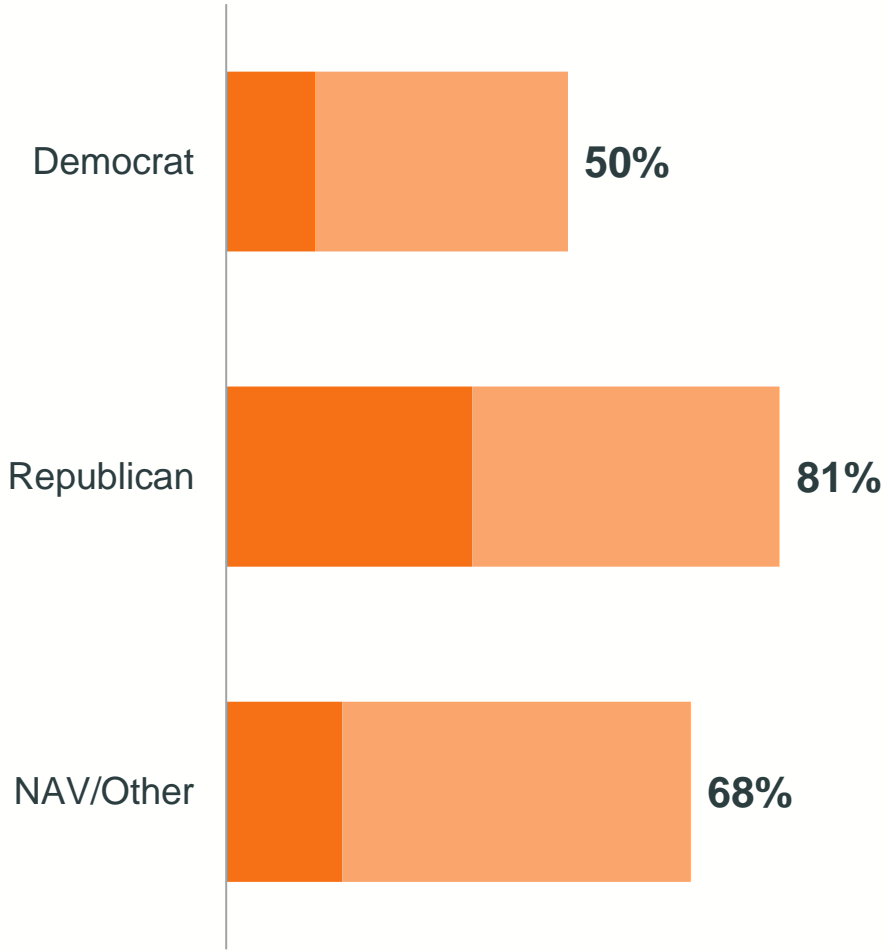
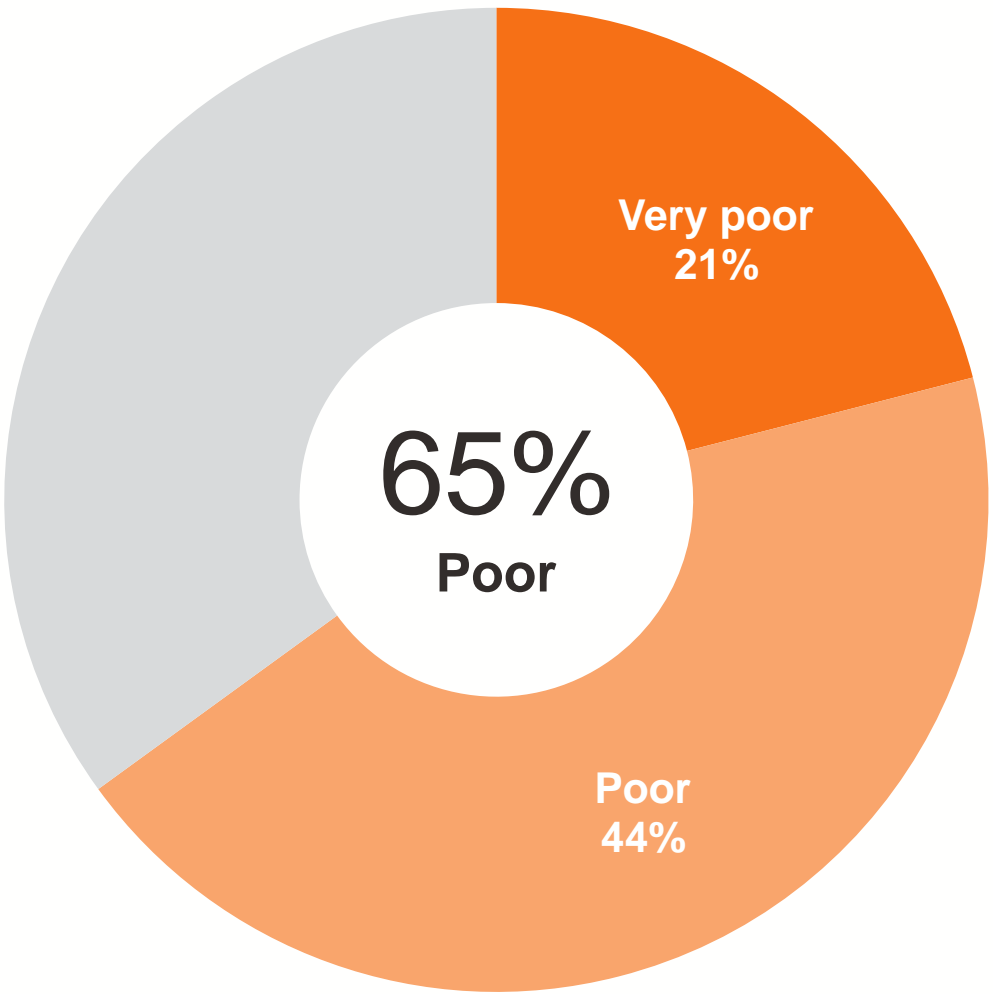
Perceptions about the direction of the state are increasingly partisan.



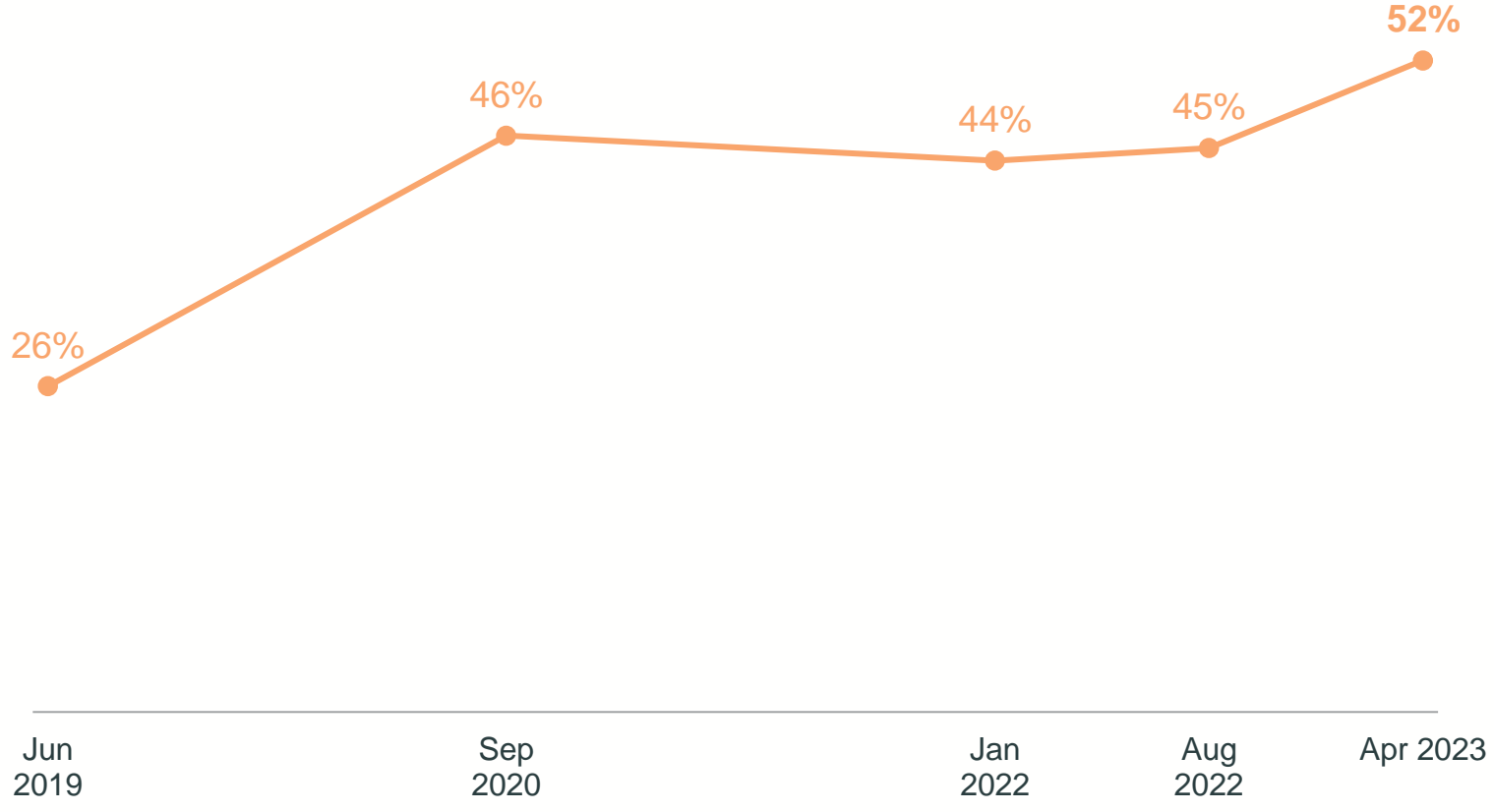
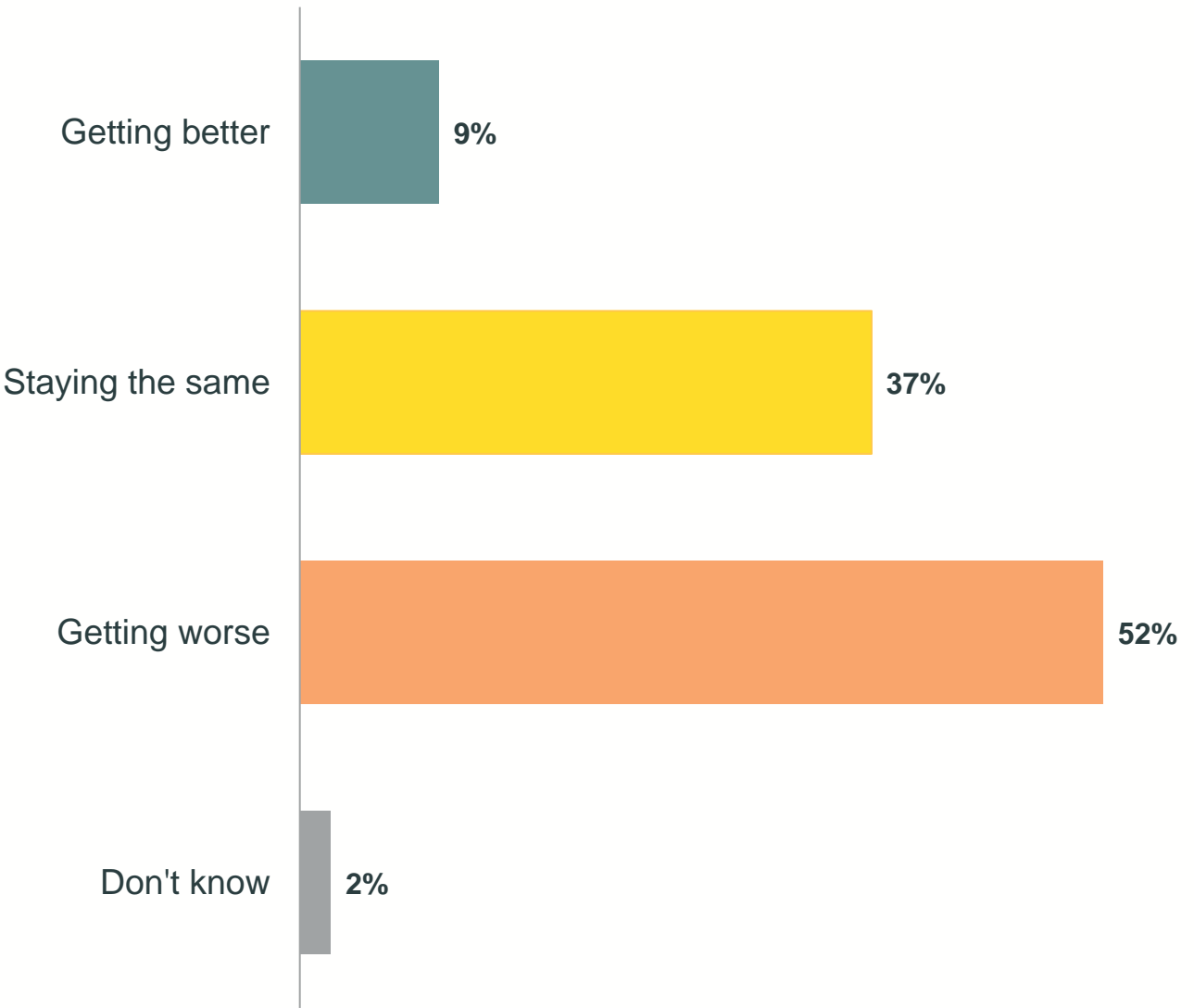
Number of Oregon legislators who won despite having a party registration disadvantage in their district



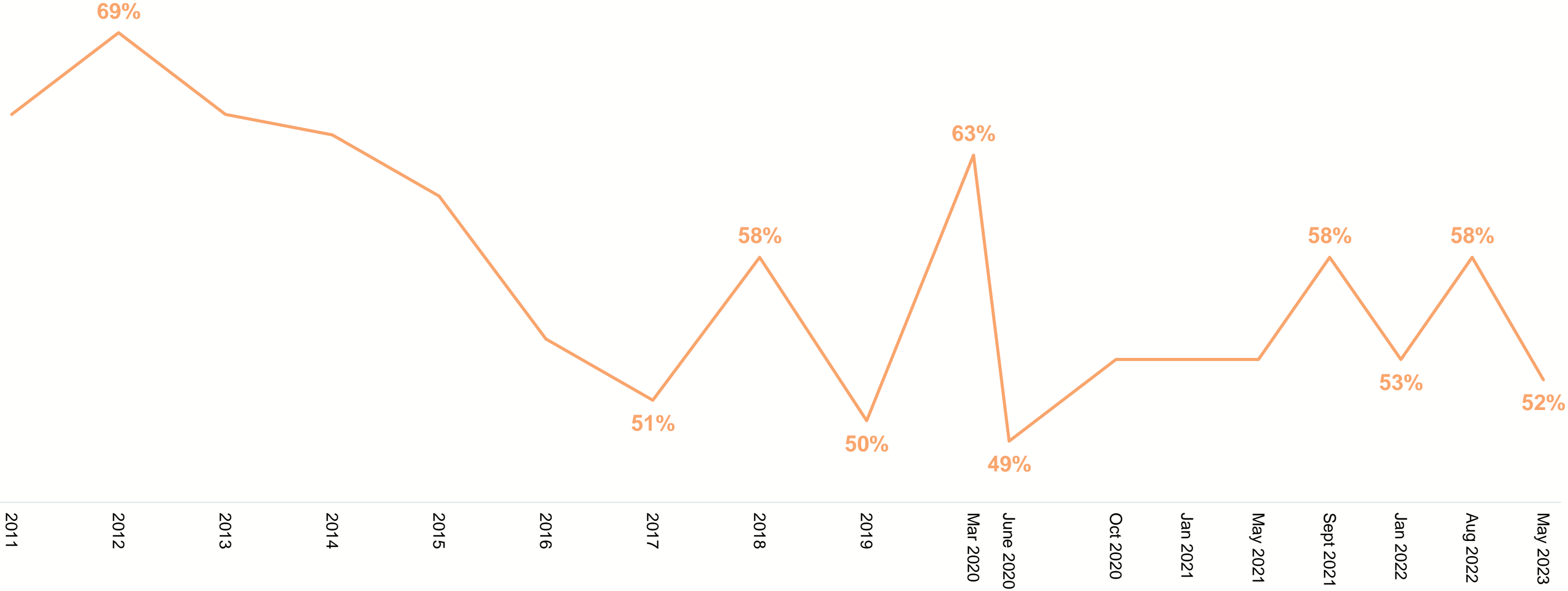
2 in 3 voters rate economic conditions in Oregon poorly.



A majority of voters continue to say economic conditions in Oregon are generally getting worse.

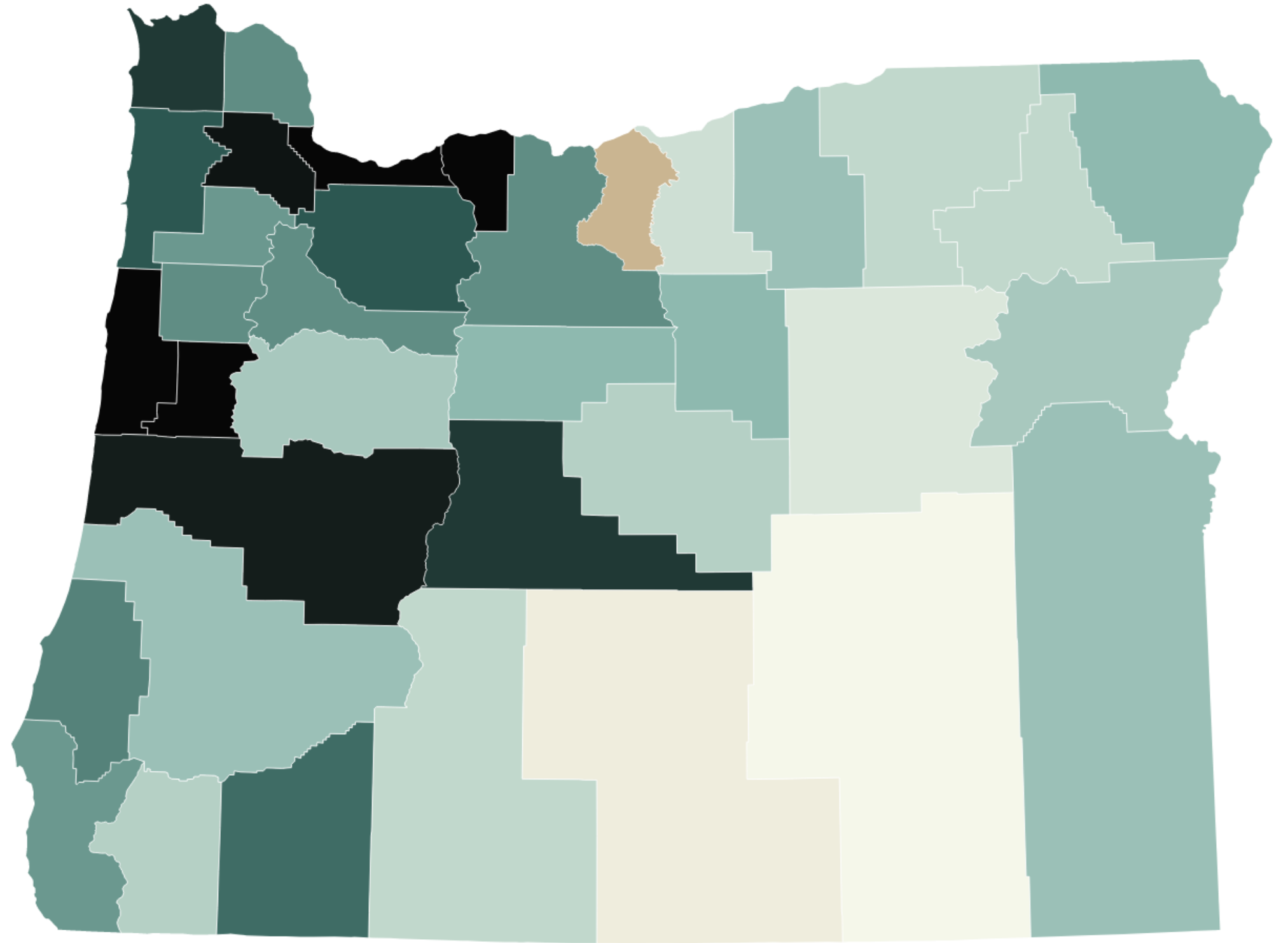
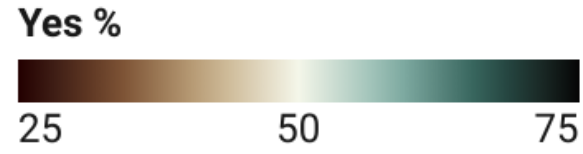


The share of Oregonians worried about their personal finances are at near lows.

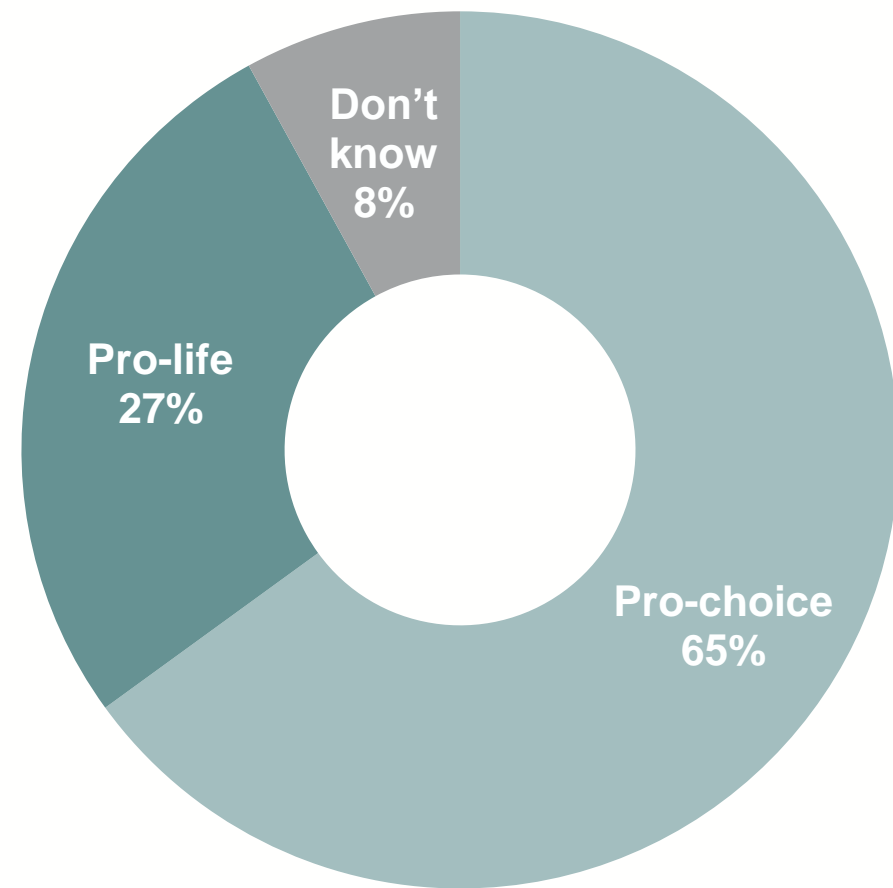


Walkouts, abortion & transgender policies

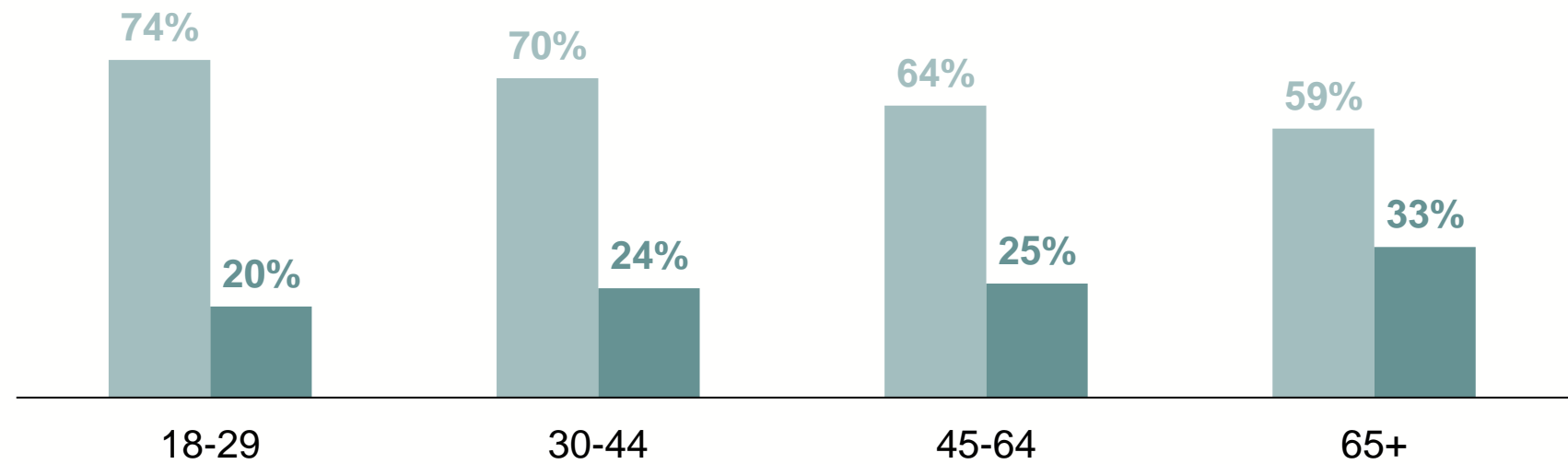
Measure 113



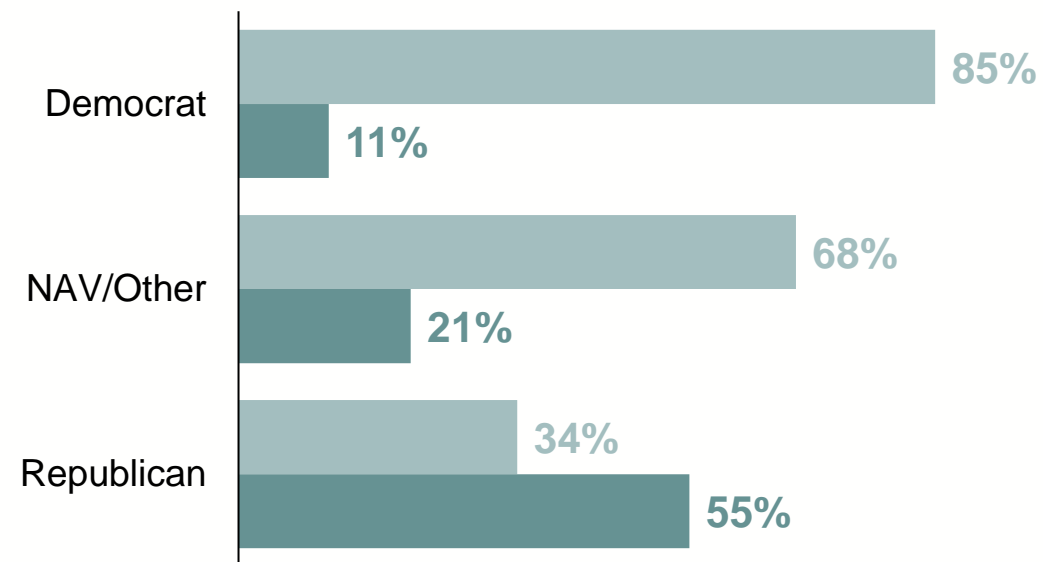
Most Oregon voters consider themselves pro-choice.



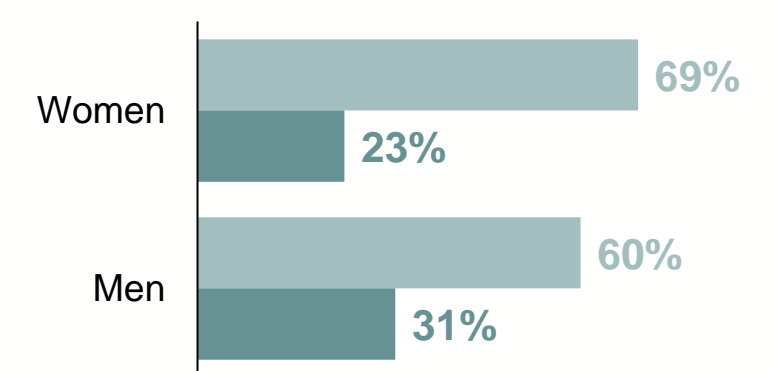
Age



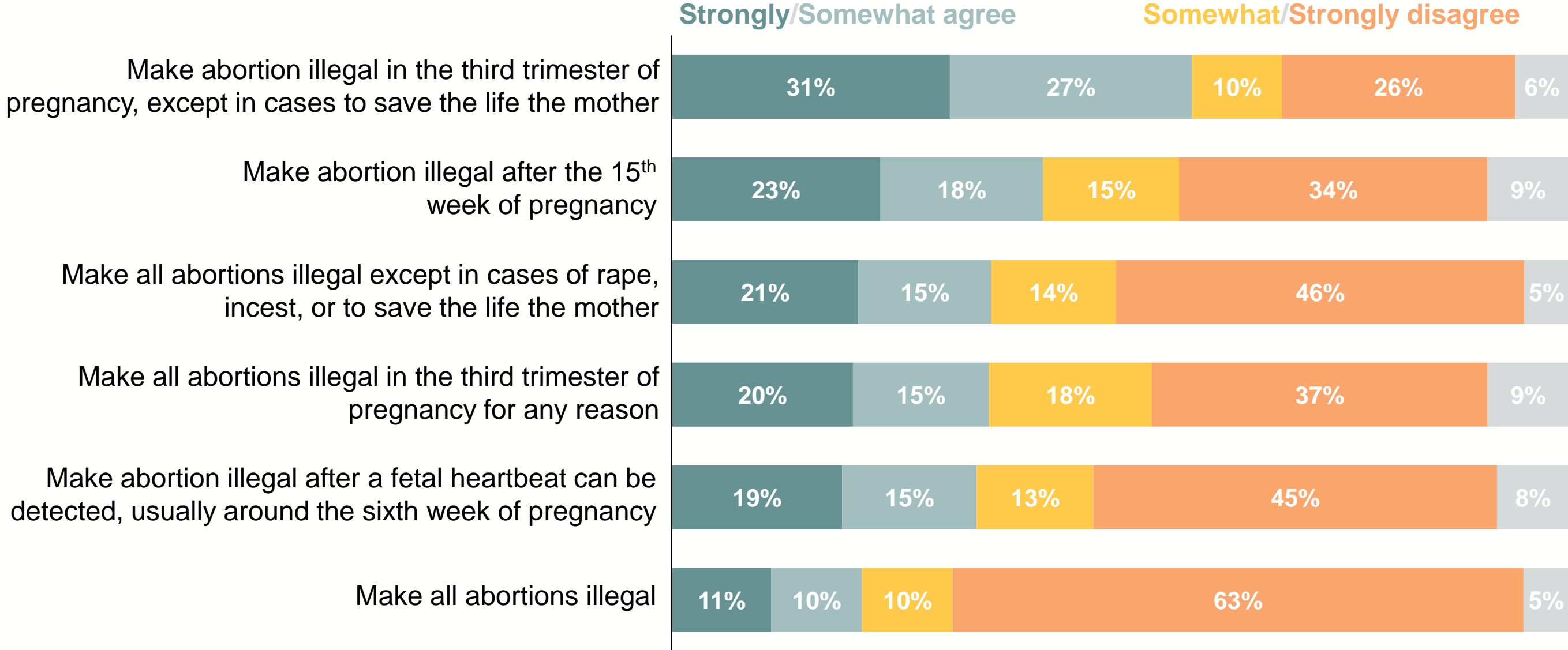
Party



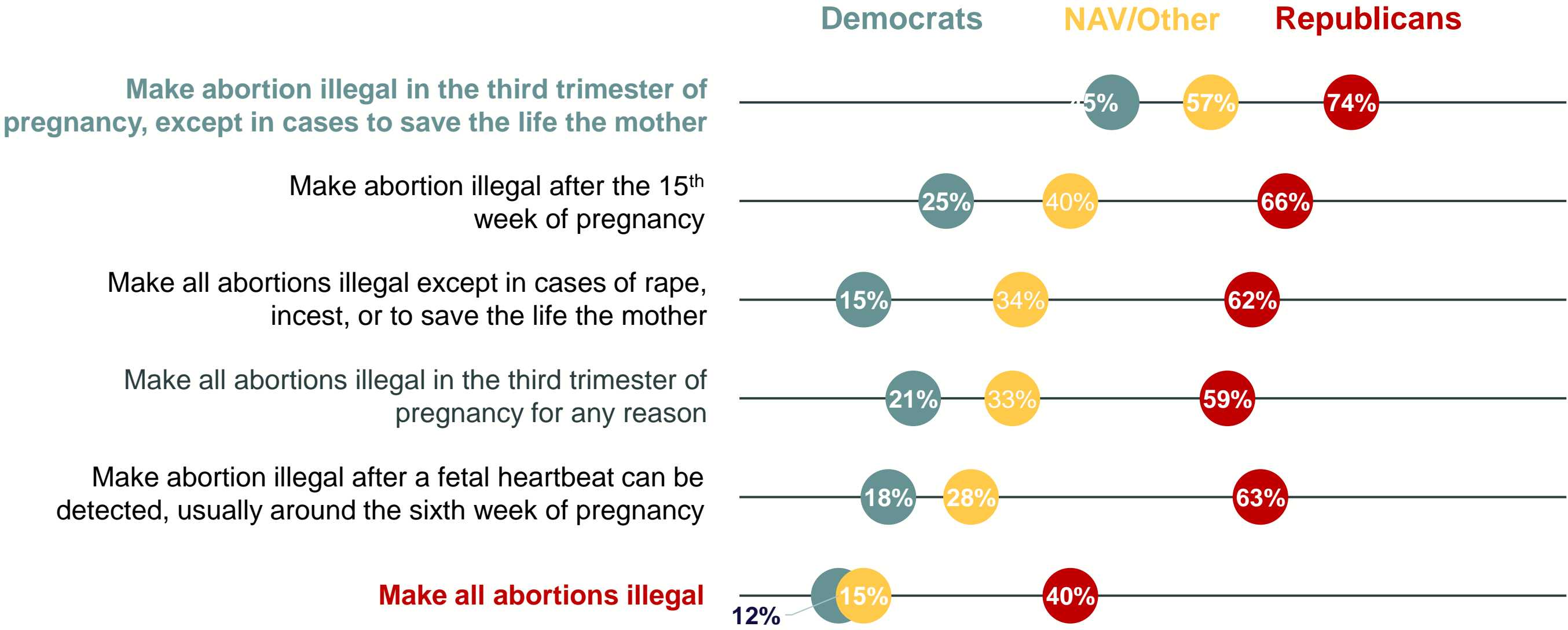
Gender



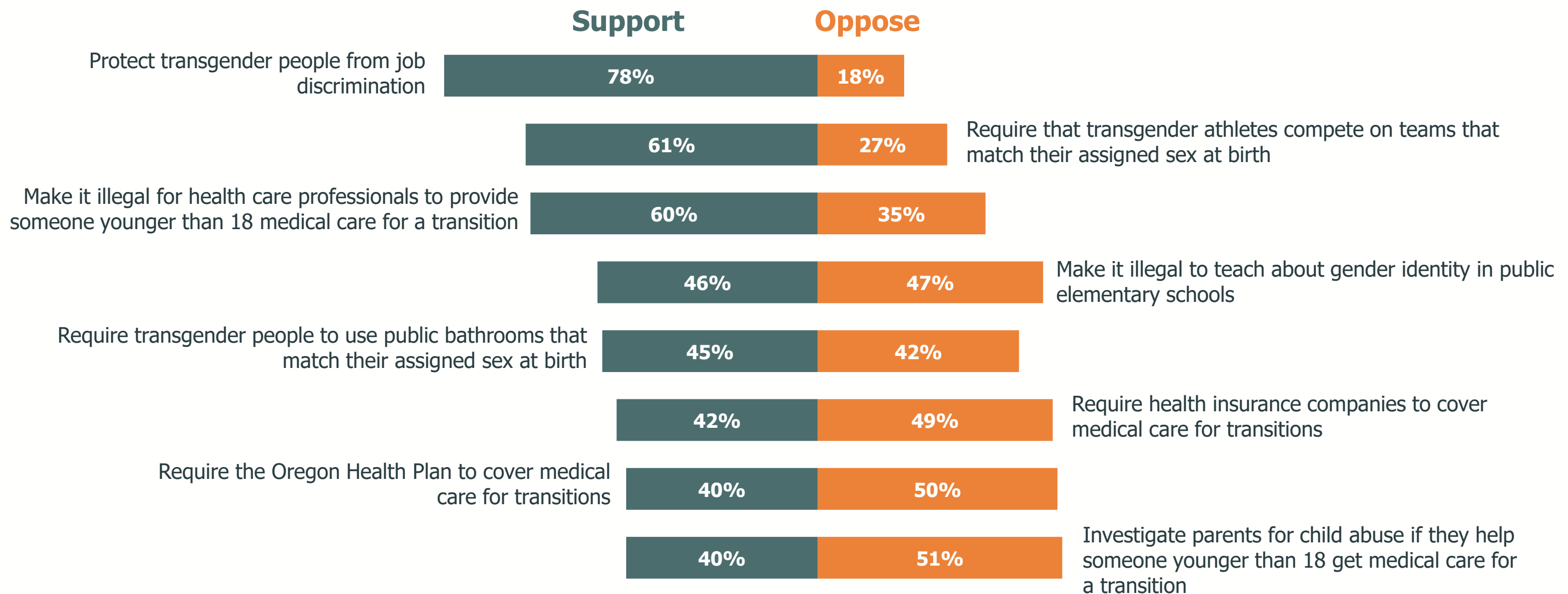
Oregonians oppose most abortion restrictions but are ambivalent in the third trimester.



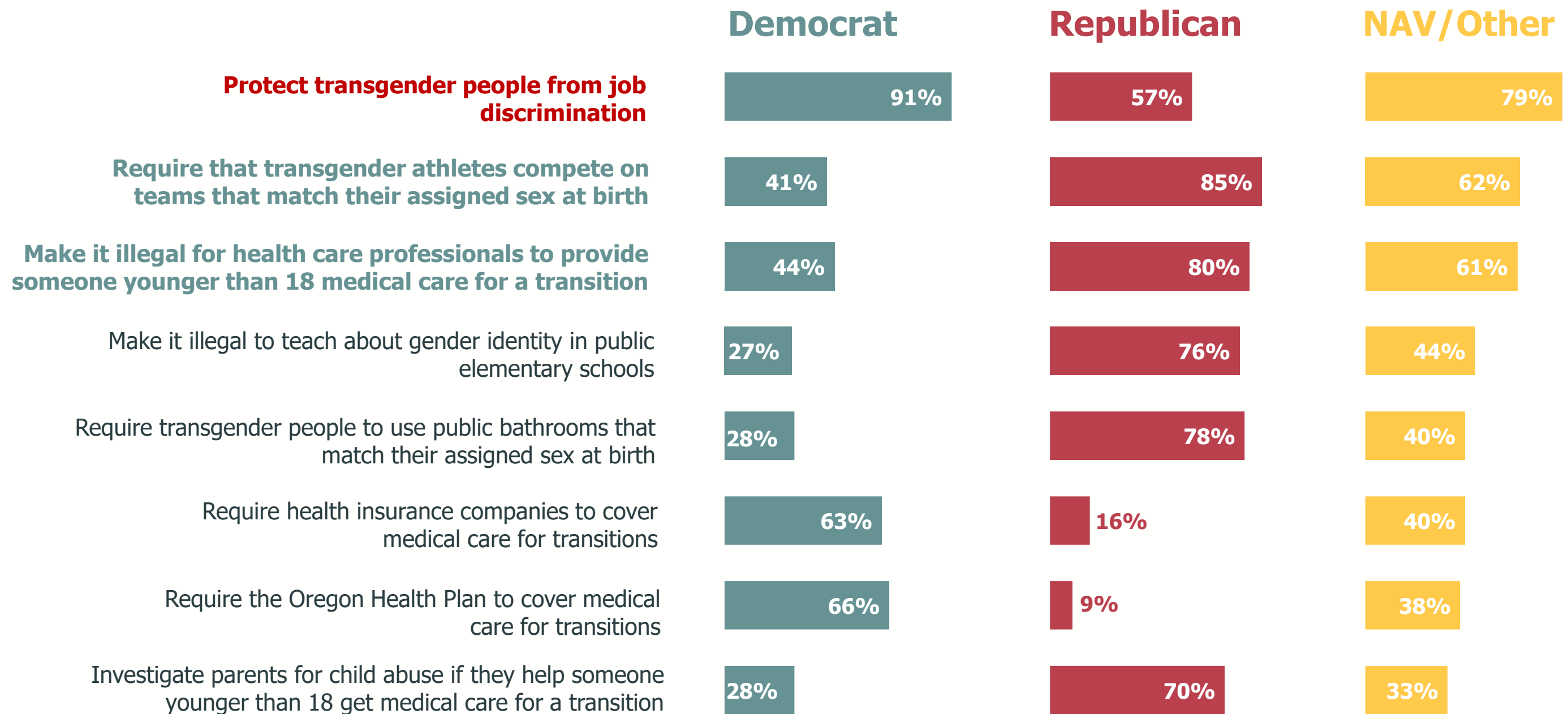
Many Democrats would support third trimester restrictions, while Republicans are divided on a complete abortion ban.



Oregonians are divided on policies related to transgender issues.

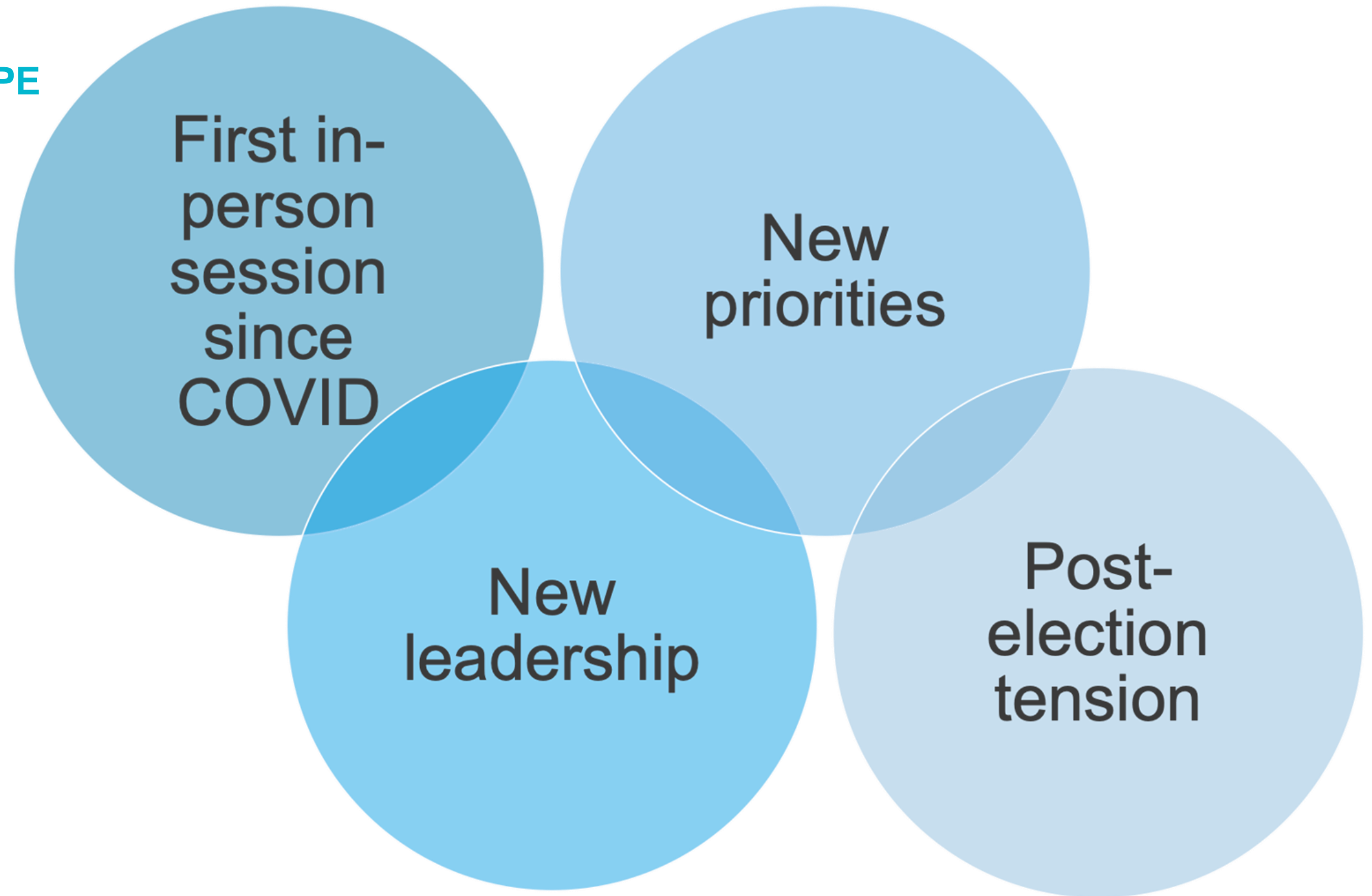


There are some differences in support for different policies along party lines.



2023 Legislative Session

POLITICAL LANDSCAPE



Gov. Tina Kotek

Priorities:

- Building more housing and reducing homelessness
- Improving access to behavioral health and addiction services
- Improving outcomes in early literacy and K-12 schools



MAKEUP OF THE SENATE



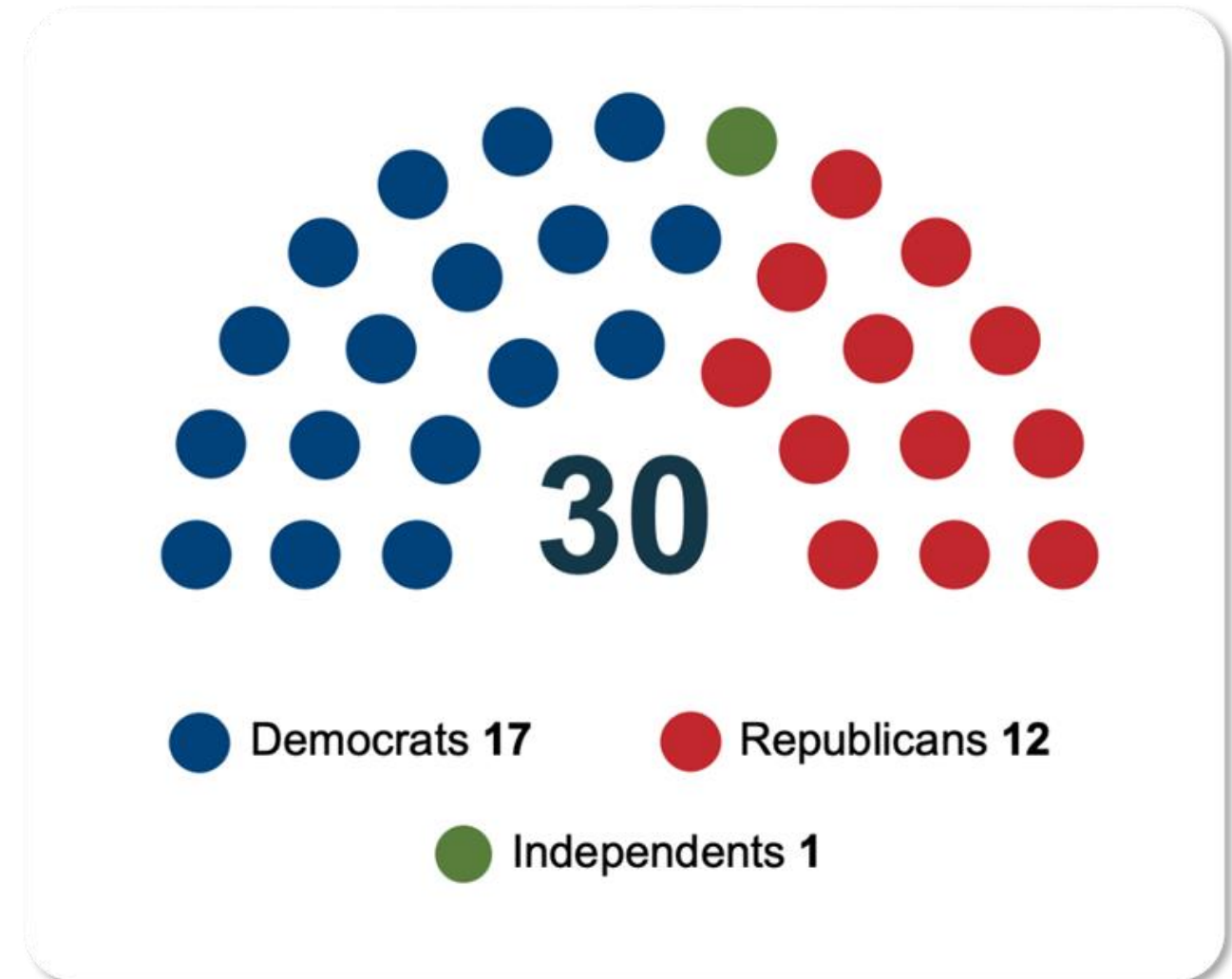
President of the Senate
Rob Wagner



Majority Leader
Kate Lieber



Minority Leader
Tim Knopp



MAKEUP OF THE HOUSE



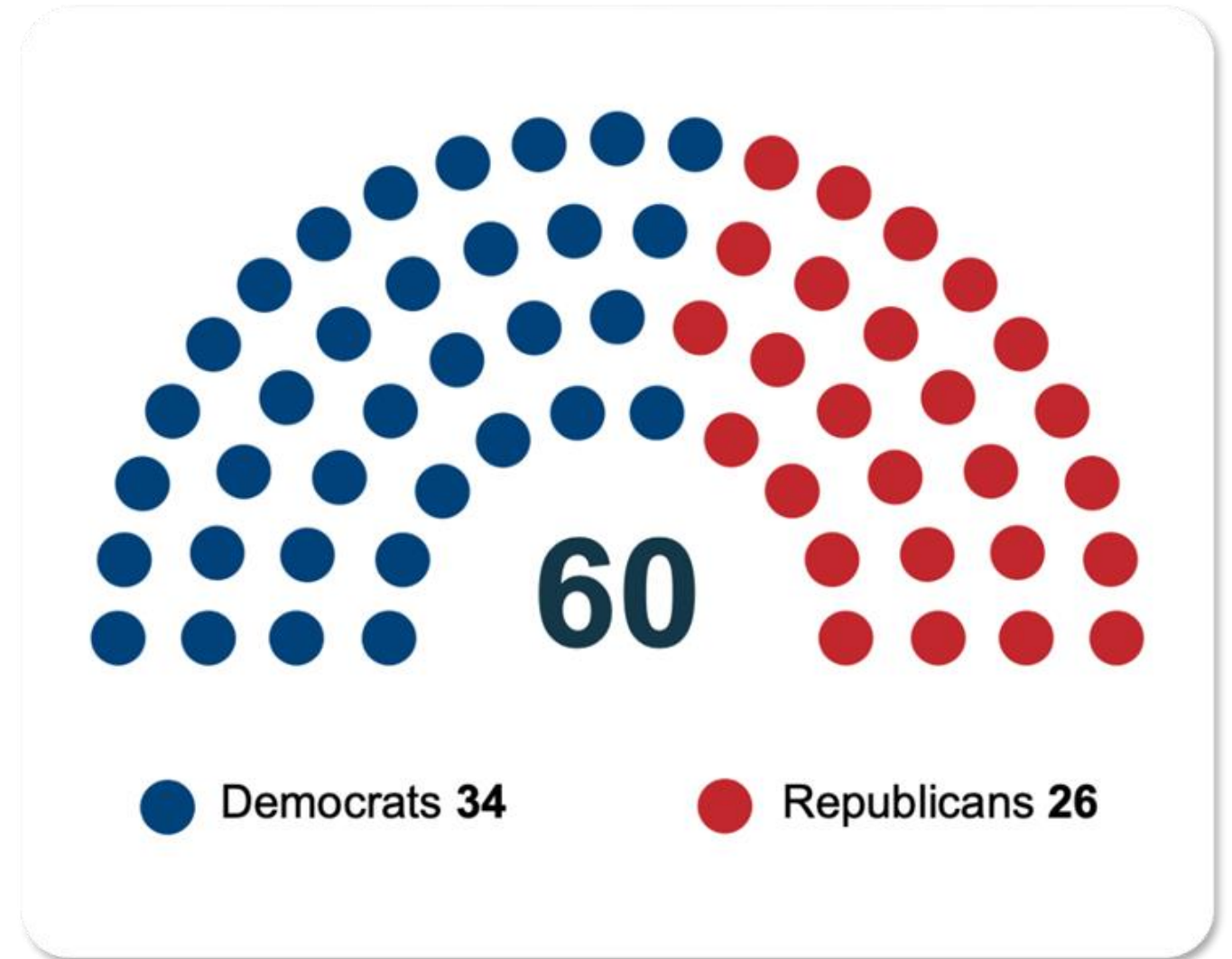
Speaker of the House
Dan Rayfield



Majority Leader
Julie Fahey



Minority Leader
Vikki Breese-Iverson



LEGISLATIVE PRIORITIES



**Housing and
homelessness**



**Health care
Behavioral health**



K-12 education



Public safety



Environment



Governance

Hospitals' Legislative Priorities



**Protecting access
to quality care**



**Workforce development
and retention**



**Support stability
of the system**

Outcomes: 2020 Legislative Session

SESSION BY THE NUMBERS

The 82nd
Oregon Legislature
considered **2,975**
bills and
passed **588**
over **160** days



The hospital association:

- ✓ **Requested** 13 bills be introduced by legislators
- ✓ **Tracked** 355 bills
- ✓ **Engaged on** 59 bills
- ✓ **Testified** 60 times on 21 different bills
- ✓ **Secured** at least 38 amendments to improve legislation
- ✓ **Supported** the health care workforce by forming a coalition with labor unions to pass key bills.



Building the Coalition



Coalition Principles



Ensure the voices of direct care workers are heard



Create standards that are clear and feasible, and that facilitate quality patient care



Identify enforcement tools that are fair and meaningful



Support the workforce



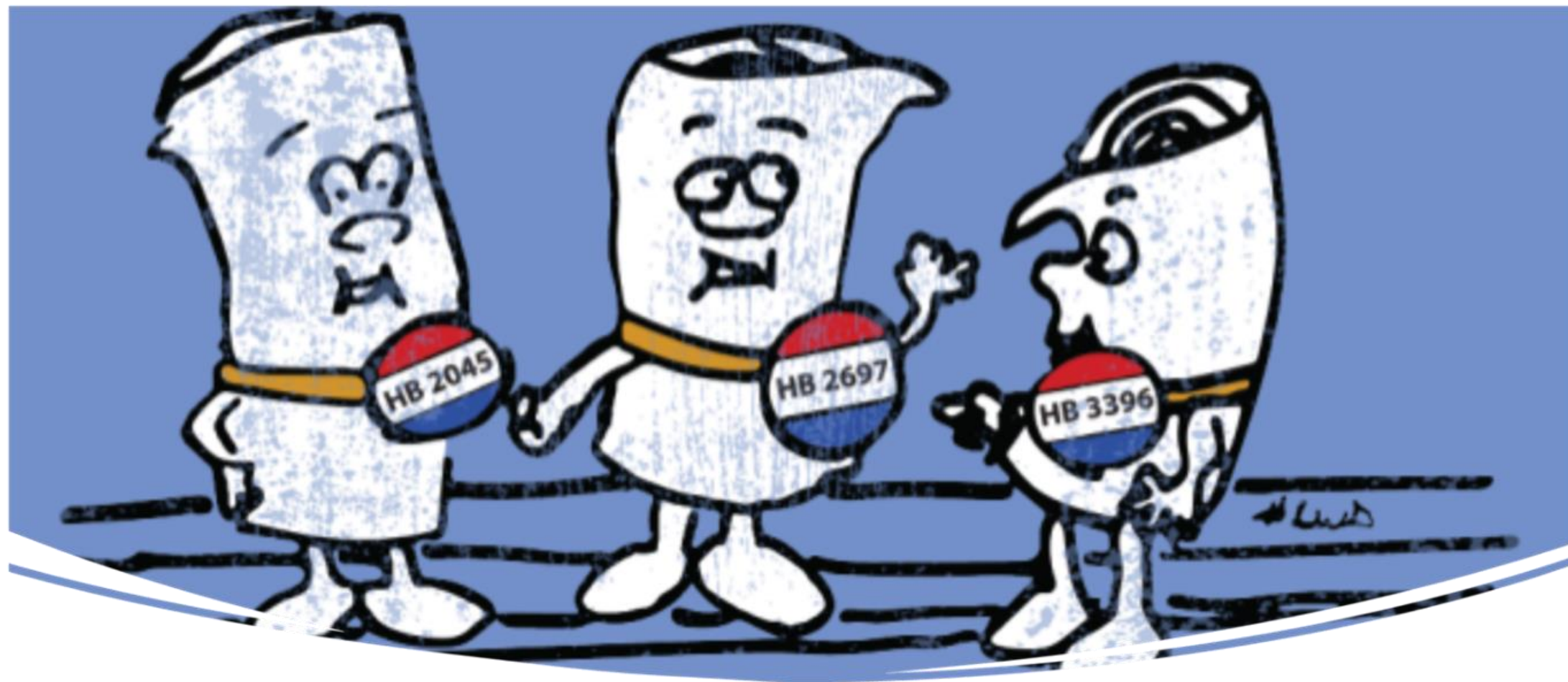
Protect access to care



Grow the pipeline of health care workers in the state

OUTCOME: HOSPITAL AND LABOR PACKAGE

Supporting the workforce and patients



OUTCOME: HOSPITAL AND LABOR PACKAGE

HB 2697, hospital staffing bill



Creates new staffing committees

Establishes RN-to-patient ratios for certain units, allows for variance and permitted deviations



Preserves local decision making and enables innovation

Eliminates OHA surveys, now only a complaint-driven process



Specific list of violations

Civil penalties



Eliminates private right of action

OUTCOME: HOSPITAL AND LABOR PACKAGE

HB 2045, cost growth target



Ensures that providers will not be penalized under the Health Care Cost Growth Target program if they exceed the target because of investments in their frontline workforce



Provider organizations will report to OHA aggregate amount of total compensation to frontline workers

OUTCOME: HOSPITAL AND LABOR PACKAGE

HB 3396, workforce investments



\$15 million to support clinical education and reimburse health care facilities for costs they incur supporting providing clinical education opportunities



\$5 million to support training trust programs to help existing health care professions grow their careers



\$5 million for Oregon Center of Nursing to provide grants to Oregon-based community colleges to support recruitment and retention programs for nurse educators

OUTCOME: HOSPITAL AND LABOR PACKAGE

HB 3396, task force on discharge challenges



Establishes a 22-member, governor-appointed task force for which hospitals have 5 seats



Charges task force with developing recommendations to address the challenges faced by hospitals when discharging patients to post-acute care settings. First report is due December 2023; final report due November 2024.

BUDGET OUTCOMES



Funded

Medicaid,
without hospital
rate reductions

**The disproportionate
hospital share (DSH)
program**

**Graduate medical
education (GME)
program**

What's Next

WHAT'S NEXT

Political road to 2024



Calendar -131 Days until convene session Interim Days

- Interim Days
- September 14, 2023 – Opening day to file
- February 5, 2024



Politics

- How campaign season shapes the 2024 session?
- Elections and shifting make up in House and Senate



Issues

- Workforce
- Financial Transparency
- Hospital Administration

Thank You