

2027 policy agenda

A patient-centered plan to lower health care costs and protect Oregon hospitals so they are there when we need them

Oregon's health care system is on the brink. The hospital closures we feared are happening. Major federal Medicaid cuts will take billions of dollars from Oregon's health care system and result in many Oregonians losing Medicaid coverage, deepening the crisis. Around one in three Oregonians are covered by Medicaid, making Oregon providers and Oregonians more vulnerable to the federal government cuts than those in many other states. Years of chronic underpayment by Medicaid and commercial insurer bad behavior fuel losses. Costs are skyrocketing, driven by the state's bureaucratic red tape to uniquely high labor costs. Revenue is not keeping up, and the status quo is unsustainable.

This is a math problem that is becoming a human problem. We count on our hospitals to be there when we need them most—to deliver a baby, save a loved one, or provide hope in our darkest moments. We need a hospital to be there. As hospitals stand at the brink, the state must act to strengthen the hospital safety net, cut bureaucratic red tape, and do no more harm.

To protect hospitals and put affordable, lifesaving care within reach of every Oregonian, the Oregon Legislature should:

1. Strengthen the hospital safety net

- ✓ **Protect and strengthen Medicaid payment for hospital services.**
- ✓ **Require insurers to return more of the health care dollar to the bedside and make it easier for patients to get health care.**

2. Cut bureaucratic red tape and do no more harm

- ✓ **Make the Health Care Market Oversight (HCMO) program a checkpoint—not a roadblock.**
- ✓ **Right the wrongs of the hospital staffing law.**
- ✗ **Do not cut payments to hospitals.**
- ✗ **Do not subject Oregon hospitals to a reference-based price cap.**
- ✗ **Do not add more red tape.**

1. Strengthen the hospital safety net

Hospitals are the backbone of Oregon's health care safety net, providing care 24 hours a day, 365 days a year to anyone who walks through their doors. Employing nearly 70,000 people statewide, Oregon's hospitals are a vital part of the state's economy. Without action to strengthen the hospital safety net, more hospitals and services will close, and jobs will be lost, pushing us beyond the brink.

We support policies that:

Protect and strengthen Medicaid payment for hospital services.

One in three Oregonians is covered by Medicaid. When compared to Medicare and commercial insurance, Medicaid pays the least, covering on average only about half the cost of care. We support policies such as fully funding Disproportionate Share Hospital (DSH) and Graduate Medical Education, and maternity services payments that reduce financial harm to hospitals.

Require insurers to return more of the health care dollar to the bedside and make it easier for patients to get health care.

Health care workers should be caring for patients—not navigating complex insurance paperwork that makes care less affordable and accessible. Oregonians should be protected from insurance company tactics that stand in the way of good care. To get there, we should:

- ✓ **Hold insurance companies accountable** for making health care easier for patients. It's time for insurance companies to take more responsibility for the policies they have sold.
- ✓ **Make it easier for Oregonians to get the care they need** by requiring insurers to put qualified professionals over profits and make timely care decisions.
- ✓ **Protect Oregonians** from insurance negotiation breakdowns by providing an option to re-enroll in another health plan so care is not interrupted.
- ✓ **Support hospitals and other providers** by preventing insurance companies from using tactics that result in reduced or clawed back provider payments.

2. Cut bureaucratic red tape and do no more harm

Oregon has built complex layers of excessive rules, paperwork, delays, and duplicative administrative requirements that don't serve patients and the health care providers caring for them. Doing no more harm is necessary and not enough. Oregon must cut bureaucratic red tape that harms the ability of hospitals to provide patient care and stop adding more barriers to care.

We support policies that:

Make the Health Care Market Oversight (HCMO) program a checkpoint—not a roadblock.

The HCMO program implemented by the Oregon Health Authority (OHA) has strayed from the original legislative intent and drives outcomes that run counter to our shared affordability goals. It is costly for the state, the health care system, and Oregonians. By shaping—through action and silence—the health care landscape and its future direction, HCMO is also responsible for its failures.

Right the wrongs of the hospital staffing law.

Rather than creating a program that followed legislative intent and statutory requirements, OHA took enforcement positions that represent significant, fundamental departures from what was expected. The results have been devastating. OHA's implementation of the law is diverting dollars from the bedside, forcing hospitals to waste valuable resources in an overly burdensome process, and directing dollars to bureaucracy instead of patient care.

We oppose:

Cutting payments to hospitals.

Policies regulating or prohibiting facility fees are a complicated way to package what is, at its core, a cut to hospitals. We will oppose this policy and others that try to repackage a hospital cut as a policy idea.

A reference-based price cap.

A reference-based price cap boosts insurers' profits at the expense of hospitals and the people who need them. This flawed and not well-vetted proposal would do nothing to address the underlying cost of providing care, while jeopardizing access to services Oregonians depend on.

Adding more red tape.

Hospitals are forced to waste too much money, time, and talent on bureaucratic red tape. Oregonians need affordable health care, not government bloat. We will oppose new programs that drive up hospital costs and make health care less affordable.