April 14, 2020

Dear Madame Chairs Salinas and Monnes Anderson and Representatives Alonso-Leon, Keny-Guyer, Prusak, and Schouten,

Thank you for your letter. As you note, we have worked tirelessly with our partners to respond to the COVID-19 crisis and we appreciate your input. We are pleased that in many areas we have made great progress in achieving our mutual goals. I want to assure you that I have heard strong support for the common goal of clear, consistent communication between all stakeholders. Our members are committed to sharing information as fully as possible within their time and legal constraints. You have our commitment to doing what we can as an Association to encourage open and transparent communication. Your letter addressed numerous issues and I have done my best to capture our responses below.

**Paid sick leave:** Regarding your comments about paid sick leave, I urge local labor leaders to review their specific employers’ policies. Many of our members have very generous paid time off policies, over and above the paid sick leave guaranteed by the State of Oregon. In addition, state and federal governments have expanded their qualifications of sick time. Employees should utilize this time when necessary. If an employee is injured or exposed to infectious disease while on the job, Oregon’s robust workers’ compensation system is available to cover medical expenses and lost wages.

**Continuation of health benefits during furlough:** With respect to continued health benefits to employees and their families, employer policies should be reviewed to ascertain continuation of health benefits during temporary furloughs. Our members are cognizant of these concerns and, within their financial constraints, are exploring available options. We encourage legislators to support changes to unemployment to ensure benefits are expeditiously processed and permitted during periods of temporary furloughs where employees may be put on stand-by for a return to work, including eliminating the one week waiting requirement to access benefits.

**Reassignment and accommodations for at-risk or furloughed healthcare workers:** It is critically important to retain our health care workforce during this time of low hospital volumes. Hospitals are making significant efforts to safely and effectively redeploy those who want to continue working. Health systems are cross-training employees whose hours are impacted and redeploying them where possible. We have seen a dramatic increase in tele-health, supported by the federal government. In conversations with members, layoffs and furloughs are a last-choice option, only occurring when there is no other work available or when the hospital is in financial distress. An employee whose health is personally compromised should reach out to human resources, to ensure their accommodation request is documented and appropriately addressed. Our members fully support reasonable accommodations for COVID-related employee health concerns.

**Regulation of out-of-state workers:** Testing for those arriving from out-of-state is a regulatory issue, and neither the Association nor its members can require such tests. This issue is outside of our control. In addition, such a requirement does not follow the science. COVID does not respect state lines. An asymptomatic worker in Oregon is as likely to have been exposed to the virus as an asymptomatic worker from another state due to the impact of community transmission. We
encourage legislators to help us educate constituents so that decisions about testing, PPE and other scarce resources are made in a manner consistent with the best public health advice.

**Federal funds available for hospitals:** On Friday, the first $30 billion under the CARES Act Provider Relief Fund was distributed to qualified Medicare providers (not just hospitals), based on Medicare fee-for-service payments. The methodology had terms attached to it including abstaining from balance billing for COVID related treatment, a condition we support. Unfortunately, the use of the Medicare fee-for-service methodology put states like Oregon, with a high rate of enrollment in Medicare Advantage, at a disadvantage. We hope CMS remedies this inequity in the next distribution of funds. Detailed information about the administration’s plan for the remaining $70 billion is not yet available. Hospitals are using these funds to preserve health care jobs, purchase PPE, and keep their doors open to the public. Federal funds will not be enough, however, and a more comprehensive approach to hospital financial stabilization is required.

The critical items of concern in your letter can only be addressed through having financially stable hospitals able to weather this crisis.

**Financial status of hospitals:** To conserve PPE for critical patient care, the Association supported the Governor’s order to cancel elective procedures. This caused significant financial hardship for hospitals. In addition, volumes have declined for a variety of reasons related to COVID-19, as patients are practicing social distancing and avoiding places where there are higher chances of contracting COVID. These two factors have resulted in revenue plummeting 40-60% at most hospitals. At the same time, costs related to COVID preparedness have increased dramatically. Several rural hospitals are on the verge of closure, some have furloughed staff, others have gone through layoffs, and more layoffs are possible. Financial stress is not confined to rural hospitals. Policy decisions and reimbursement reductions at the state and federal level have put relentless financial pressure on hospitals. Most hospitals run on relatively thin margins, so continued losses at the current rate will put them in a financially untenable situation in a matter of months. This applies to small hospitals, mid-sized systems and even larger hospitals and systems. We do not know the duration of this event, but we can safely say that the industry is in crisis.

**Need for state action:** Because federal funds alone will not be enough, we ask you to advocate with us for a state-funded Hospital Stabilization Fund. Our initial request is attached. Our state funding request is targeted to help health care workers who are impacted the most by these COVID preventive measures. We recognize, especially in our rural areas, the importance of protecting health care workers, providers and services. Once lost, they will be extremely difficult to bring back.

As I noted at the outset of this letter, I am encouraged to see so many places where our interests align. I hope this response provides some reassurance. I appreciate your partnership as we all work together to combat this crisis and return to normal operations as soon and as safely possible.

Sincerely,

Becky Hultberg
President/CEO, OAHHS