



March 29, 2023

Oregon State Legislature
900 Court St. NE
Salem, OR 97301

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Chair Patterson and Members of the Senate Committee on Health Care:

The Oregon Association of Hospitals and Health Systems (OAHHS) is a mission-driven, nonprofit association representing Oregon's 62 community hospitals. Together, hospitals are the sixth largest private employer statewide, employing more than 70,000 employees. Committed to fostering a stronger, safer Oregon with equitable access to quality health care, OAHHS provides services to Oregon's community hospitals ensuring all are able to deliver dependable, comprehensive health care to their communities; educates government officials and the public on the state's health landscape; and works collaboratively with policymakers, community organizations, and the health care community to build consensus on and advance health care policy benefiting the state's 4 million residents.

Hospitals are more than just buildings; they are cornerstones within the communities they serve. Our hospitals are employers, partners in community projects, and community spaces—all while providing vital health services to generation after generation of families in communities across Oregon. We know that when our hospitals are strong, our communities win.

We are writing in strong support of Senate Bill 1079, with a forthcoming amendment, which would create a Task Force on Post-Acute Capacity to evaluate and recommend solutions to the post-acute care challenges that are creating devastating ripple effects across the health care continuum in Oregon.

We have repeatedly sounded the alarm that on any given day, hundreds of patients are cared for in hospitals in Oregon while waiting to be discharged to a more appropriate care setting,¹ often because there is no availability in a setting that meets their needs. As a result, those hospital beds are unavailable to others who need them, such as patients in rural hospitals waiting to be transferred for more specialized care or the hundreds of patients each day “boarding” in emergency departments while they wait for a bed.² There is a person behind each of these numbers. Someone who needs help they cannot get. Someone for whom our system is failing.

The reasons for these failures are varied, and they compound one another. We have begun to understand some of the main challenges, which are described below in terms of workforce, matching services to care needs, and cost and payment. However, more work is needed to identify

¹ See Apprise Health Insights, [COVID-19 Hospital Capacity](#), Daily Trends.

² See Apprise Health Insights, [COVID-19 Hospital Capacity](#), Daily Trends.

opportunities for systemic change that will ensure we are meeting the post-acute care needs of every patient who walks through our hospital doors.

Workforce

Like the rest of the country, Oregon is experiencing a significant health care workforce shortage that began years ago and was dramatically accelerated by the COVID-19 pandemic. This national workforce shortage combined with successive waves of very sick patients has placed immense strain on Oregon's continuum of care, from primary care clinics to hospitals to nursing homes and behavioral health. Before the pandemic, registered nurse vacancy rates in post-acute care settings such as home health/hospice and long-term care were approximately two and five times as high as the rates in hospitals, respectively.³ Long-term care settings experienced sharp staffing declines through the pandemic and are still struggling to recover.⁴

As post-acute capacity is limited by staffing shortages, hospital capacity and hospital staff are further strained.⁵ Caring for patients who are not in the right care setting for their needs adds to this stress. A hospital, for example, is not equipped to be a healing place for someone experiencing persistent behavioral health challenges. Every day, hospital staff face the moral injury and frustration of knowing that despite their best efforts, they are not able to provide the care their patients need.

We continue to be strong advocates for various initiatives to support and grow a robust, resilient health care workforce in Oregon. The task force created by SB 1079 would complement those efforts with strategies to address the unique needs of the post-acute care workforce.

Matching Services to Care Needs

Many patients experiencing hospital discharge delays have complex medical, behavioral, and/or social needs. In the wake of the Delta surge of COVID-19, the statewide Incident Management Team, Oregon Department of Human Services, and Oregon Health Authority developed Discharge Assistance Teams to help ease the hospital capacity crisis. The Discharge Assistance Teams identified several barriers to hospital discharge at that time, such as:⁶

- Family unable to provide the needed level of care at home and lack of affordable caregivers and/or delays in arranging appropriate in-home care
- Challenging behavioral health needs or criminal histories
- Homelessness
- Waiting for guardianship
- Insurance authorizations not providing sufficient nursing for individuals with intensive needs
- Lack of placement options for people who need IV antibiotics with a history of IV drug use
- Lack of placement options for people with bariatric needs

³ Oregon Center for Nursing, [Shortage or Maldistribution: Shifting the Conversation About Oregon's Nursing Workforce](#), 2019, p. 9.

⁴ See Oregon State University, [Oregon's Health Care Workforce Needs Assessment 2023](#), February 2023, p. 95.

⁵ See American Hospital Association, [Letter to House Ways and Means Committee, Health Subcommittee](#), March 23, 2023.

⁶ Oregon Department of Human Services, unpublished data shared with Incident Management Team, October 2021.

Anecdotally, these barriers remain; however, more research and analysis are needed to better understand the needs of the patients for whom we struggle to find appropriate post-acute care and identify gaps and opportunities for improvement in the availability of these services.

Oregon has among the lowest per-capita numbers of beds in nursing facilities and hospitals in the country.^{7,8} This reflects our state's prioritization of preventive care and commitment to care for patients in their homes and communities when possible. However, it means that our health care system is more sensitive to surges in care needs and other constraints on capacity, like staffing shortages. It also means that we accept a higher level of decentralization of services, which requires more intentional coordination to ensure access to the right care at the right time and place. The task force proposed in SB 1079 would develop strategies to identify needed beds, staff, and services across the system to ensure safe, effective hospital discharge planning, and it would identify opportunities for state agency coordination and efficiencies to ensure that patient needs are being met in the right care setting.

Cost and Payment

As discussed above, the cost of post-acute care services and challenges in securing appropriate insurance authorization can lead to delays in patients being discharged from the hospital. Patients and their loved ones should not have to deal with such stressors as they are navigating crucial care transitions; however, insurers are not incentivized to make these transitions easier. Under common episode- or diagnosis-based payment models, hospitals are paid the same amount regardless of how long the patient is admitted. That means there is often little or no cost to insurance companies or the state to leave patients in the hospital when they would be best cared for somewhere else.

This also threatens the financial stability of Oregon's hospitals, nearly two-thirds of which could not cover the cost of caring for patients in the third quarter of 2022.⁹

Under SB 1079, the task force would develop policy and funding recommendations for patients experiencing discharge delays, including potential federal-state partnerships that could leverage federal resources. This would help identify opportunities to ease financial and administrative burdens for patients and their loved ones as well as the hospitals that care for them.

Our failing continuum of care is threatening patients' access to care and hospitals' ability to retain their workforce and meet the needs of the communities they serve. A local hospital with an always-open front door and a closed back door does not work even with the best efforts of our teams. Hospitals are taking steps to address certain aspects of these issues as they can, but meaningful progress across the care continuum will demand a more holistic effort. Our health care system is complex, and identifying opportunities for systemic change to meet our communities' post-acute care needs will require the focused collaboration of a dedicated team of knowledgeable stakeholders. That is what we propose in SB 1079.

⁷ Oregon Department of Human Services and Oregon State University, [2021 Nursing Facilities: The State of Nursing Facilities in Oregon, state fiscal year 2021](#), September 2022, pp. 15-16.

⁸ [Kaiser Family Foundation](#), 2021.

⁹ Apprise Health Insights, [Oregon Hospital Utilization & Financial Analysis, Q3 2022 & Current Trends](#).

We look forward to returning to the legislature next session, empowered by the learnings and recommendations of the Task Force on Post-Acute Capacity, to request decisive action that will help ensure all Oregonians have access to high-quality hospital services and supportive places to continue their care. Thank you for the opportunity to engage on behalf of our members and the communities they serve.

Thank you,



Andi Easton
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Oregon Association of Hospitals and Health Systems