

Public Comment on Providence's Community Benefit Spending Threshold for FY 2022 and FY 2023

To: Oregon Health Authority, Health Policy & Analytics Division, Office of Health Analytics

From: Service Employees International Union Local 49

Date: November 29, 2021

SEIU 49 would like to respectfully offer the following feedback on the Community Benefit Minimum Spending Floor OHA has proposed for Providence Health System's Oregon-based hospitals and clinics.

Our principal concern is that OHA's draft thresholds (\$259.5 million for FY 2022 and \$263.9 for FY 2023) are substantially lower than the amounts required by pre-existing community benefit conditions established by the Oregon Attorney General upon the merger of Providence and St. Joseph Health. For example, in 2019, the Attorney General's conditions required that Providence spend more than double the amounts proposed by OHA on community benefit (\$541 million).

We believe the State of Oregon should speak with one voice and align OHA's threshold with the existing precedent set by the Attorney General's office.

The Attorney General's conditions, finalized in April 2016, required that Providence maintain its historical levels of hospital community benefit spending. The agreement specifically states: *"1e) Providence will annually expend amounts on community benefit services that equal or exceed Oregon Providence Hospitals' historic practice, as measured by the percentage of total community benefit expenses to total operating expenses, averaged over 2012-2014, as reported to the Office for Oregon Health Policy and Research."*

It is critical to reinforce the Attorney General's carefully considered threshold because our independent review of community benefit spending data indicates that Providence has failed to meet this condition in two out of the three years since the agreement went into effect (2017-2019). This underinvestment has short-changed Oregon communities by more than \$30 million.

Aligning OHA's threshold with the existing precedent set by the Attorney General's office would send a clear, consistent message from the state that Providence is expected to meet these obligations to its community.