

May 12, 2021

Amy Clary
Oregon Health Authority
Health Policy & Analytics Division
Salem, Oregon 97301

RE: Community benefit spending floor

Salem Health Hospitals & Clinics is a local non-profit health system serving the mid-Willamette Valley. Our community-based system includes a level II trauma center, a critical access hospital and primary care, urgent care and specialty care clinics. Our mission is to improve the health and well-being of the communities we serve.

As a non-profit, mission-driven organization governed by a volunteer board of directors, every decision made at Salem Health is focused on the goal of benefit for the community. This benefit extends far beyond what is captured in the definitions and dollars on a Community Benefit Report-1 form. A growing and healthy community needs care that is high quality, affordable and accessible. Such goals require ongoing investments: new technology like electronic health records and cutting-edge treatments, primary care providers in hard-to-reach parts of our community, and updated buildings that are seismically sound and capable of caring for an aging population in the coming decades. None of these expenses are captured on a CBR-1, yet they are synonymous with the health of our community and the benefit Salem Health has provided to the mid-valley for over 100 years.

Salem Health is also proud of the consistent and growing contributions we make every year as measured by the definitions of the CBR-1. Regardless of whether clinics or service lines operate at a loss or a gain, we deliver whatever is needed for the long-term health of our patients and community. We will always provide care to anyone who needs it, regardless of their ability to pay, and are proud to serve a large portion of Medicaid patients, despite reimbursement rates that do not cover the cost of care. We accept the spending floor proposed in your notification dated April 30, 2021: \$91,705,375 for fiscal year 2022, and \$95,663,803 for fiscal year 2023. We will continue to monitor the impacts of COVID and engage the Oregon Health Authority if an unforeseen change in circumstances occurs.

We will be watching closely as the community benefit spending floor program develops in outlying years. Salem Health is concerned that over an extended period of time the narrow scope of the spending floor methodology could overweight spending in the limited categories of the CBR-1, to the detriment of other community health priorities as mentioned above.



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We share OHA's goal of optimum health in our community, and look forward to collaborating around the spending floor and other projects to ensure these goals are being met in the mid-valley.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Parr".

James Parr
Chief Financial Officer
Salem Health