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March 2, 2021

Re: Proposed Community Benefit Minimum Spending Floor for Legacy Health System

To Whom It May Concern:

We are excited to see HB3076 coming to fruition. Not only has it expanded charity care eligibility and medical debt protection to more Oregonians, we hope in this next phase it will lead to improved and increased investment in community health.

The minimum thresholds set forth by OHA for Legacy Health System hospitals are clear and logical. We are supportive of the proposal. Recognizing the hardship that COVID has placed on Oregonians and the undeniable impacts of health inequities, we look forward to seeing Legacy exceed these numbers in response to community need. We also look forward to the supplemental reporting required in HB3076 that will further illuminate how Legacy's expenditures are tied to identified community needs and addressing social determinants of health.

Our sole comment is that Legacy should not count financial assistance given to its employees toward its required threshold. If an employer refuses to invest in quality benefits, they should not proceed to justify their tax-exempt status by "charitably" covering their employees' medical bills.

This situation can most acutely be observed by staff who are responsible for keeping Legacy's hospitals clean. Environmental Services (EVS) staff at Legacy's largest hospital, Legacy Emanuel, recently experienced the dual insult of having both their hours cut (yes, hours for cleaning staff were cut mid-pandemic) and the cost of their benefits increase.

Rather than working 8-hour shifts, EVS staff's shifts were cut to 7.5 hours – the equivalent of a 6% pay cut. Meanwhile, the cost of employee healthcare premiums increased. Since 2011, employee premiums have increased 60%; and this year, employees now have a deductible. Meanwhile, the starting wage for an EVS position at Legacy Emanuel is less than \$15 an hour; far below the living wage in the Portland metro. (MIT's living wage calculator finds that the living wage a single parent with one child is more than \$35 an hour.)

In recent months, Legacy has emphasized publicly that they are committed to health equity and have pledged to "Do the Right Thing." Meanwhile, the EVS department is much more racially and ethnically diverse than others in the hospital. Absorbing the cost of a deductible that is equivalent to a day's work, on top of a 6% pay decrease, is detrimental to these household's budgets. Emanuel employees were qualifying for financial assistance before the pay cuts and cost increases; we can only assume they will do so now at a greater rate.

We are glad that thanks to HB3076, Oregon families facing unaffordable healthcare costs now have options other than bankruptcy or going without care. But covering these costs is not charitable. It is part of being a good employer.

We believe Legacy should exclude this from their reporting, and it should not count toward their minimum spending.

Sincerely,

Felisa Hagins
Political Director