

March 1, 2021

Oregon Health Authority
Health Policy & Analytics Division
421 SW Oak Street
Portland, OR 97204

Re: Proposed Minimum Spending Floor for Legacy Health

Dear Ms. Clary,

Thank you for the opportunity to provide comments on Oregon's first proposed community benefit minimum spending floor for Legacy Health. The spending floor program is a first-in-the-nation reporting tool for community benefit transparency. OHA and hospitals will need to continue to collaborate to ensure meaningful implementation and to make program adjustments as needed.

Unfortunately, this novel program is launching in the middle of a global pandemic. The spending floor calculation uses a variety of variables, including net patient revenue. As described in OHA's methodology document, the impact of COVID-19 on net patient revenue is a concern. Short-term drops may be easily averaged out in the four-year calculation. However, the operational impacts for prospective planning over the next two years may be great.

Further, Legacy Health's 2020 fiscal year ended in March 2020. Governor Brown issued an executive order prohibiting all elective and non-urgent procedures on March 23, 2020. The negative impact of COVID-19 on net patient revenue due to delayed health care services may not have been fully realized until June 2020 or later. In addition, many hospitals and health systems voluntarily delayed elective procedures again in the fall of 2020 to ensure critical capacity for COVID-19 and emergency patients. OAHHS requests that OHA consider adjustments for unforeseen circumstances that drastically disrupt health care delivery and hospital operations.

OAHHS appreciates OHA's transparency with the methodology and continued collaboration as hospitals begin to implement the spending floor program while also unpacking the short- and long-term impacts of COVID-19.

Thank you,

Sean Kolmer



Senior Vice President of Policy and Strategy
Oregon Association of Hospitals and Health Systems