2026 Oregon Rural Health Conference Presentation Slides

Hospital Association of Oregon



Oregon's political landscape

Sean Kolmer, executive vice president of external affairs | Oct. 8, 2026



hospitals

We represent every Oregon hospital except the Veterans Administration and Oregon State Hospital

36 small and rural hospitals

26 critical access hospitals

57 not-for-profit hospitals

State budget, economy will shape 2027 session



Pressure on state budget builds



Increased demands for state funding



Education



Transportation



Wildfire

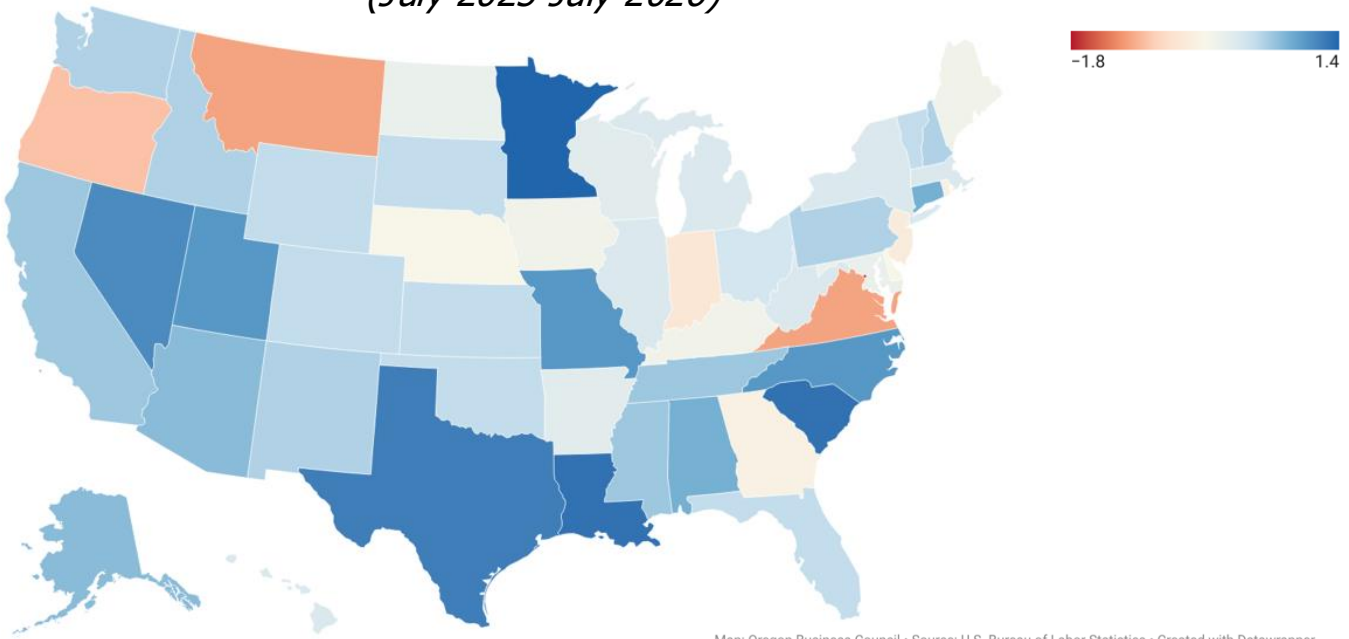


Health care

Oregon is one of the few states losing jobs

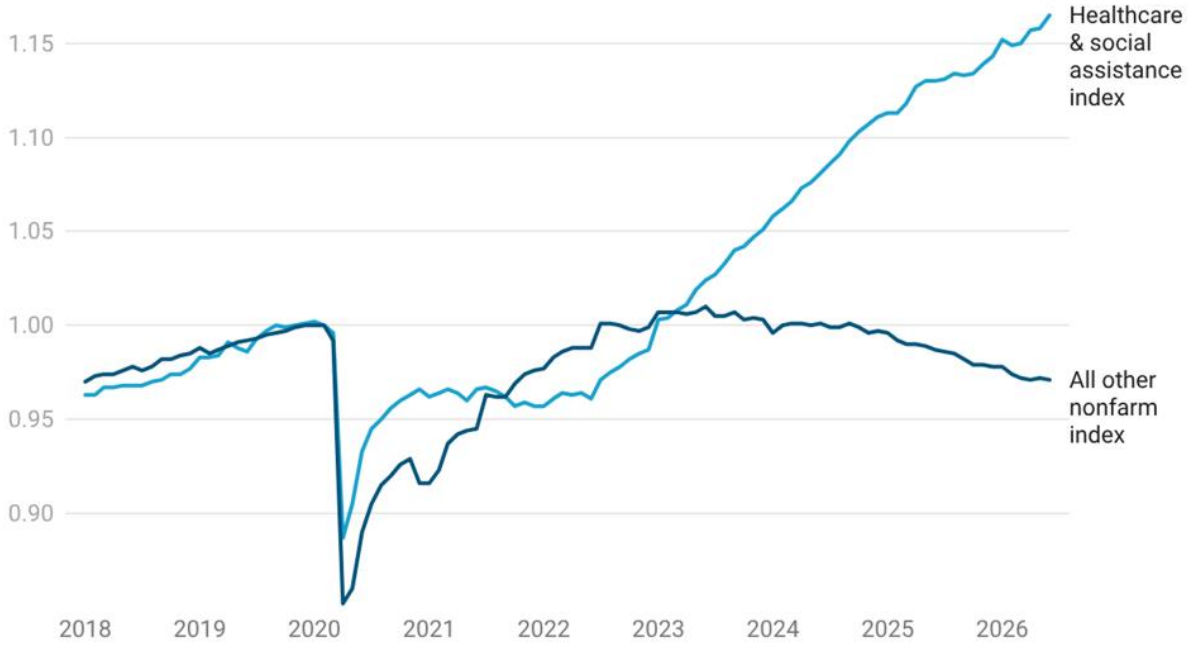
One-year percent change in total non-farm employment by state, seasonally adjusted

(July 2025-July 2026)



Map: Oregon Business Council • Source: U.S. Bureau of Labor Statistics • Created with Datawrapper

Health care is carrying Oregon's labor market



Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis • Created with Datawrapper

All employees, health care and social assistance v. all other nonfarm employment, Oregon, index, February 2020=1.0

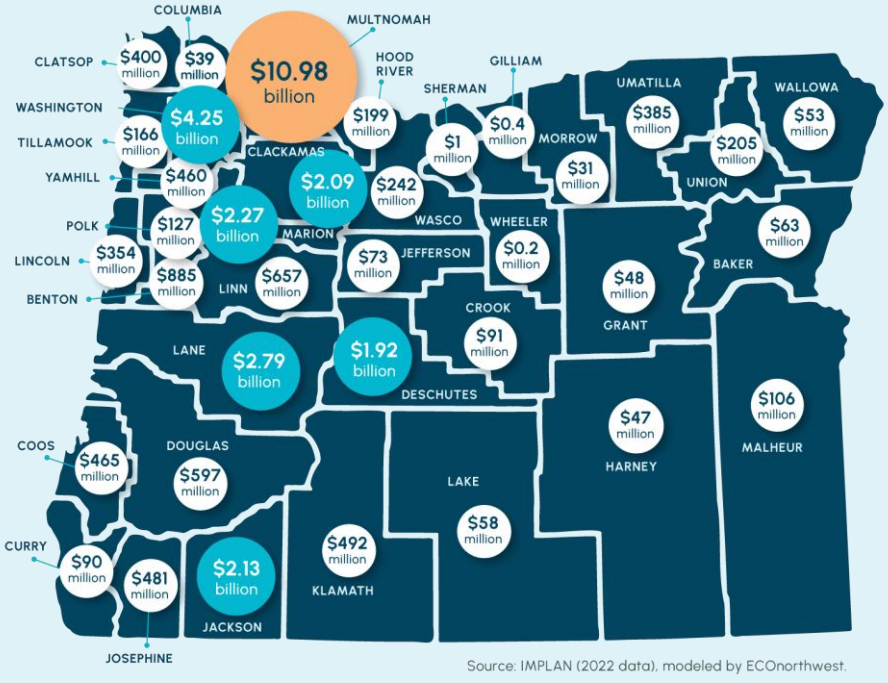
Statewide economic impact of 60 hospitals

$32.4 billion

in total economic impacts, which includes **$8.8 billion** direct hospital labor income

159k jobs

associated with hospital activity in Oregon, which includes **69,000 direct hospital employees**



H.R. 1 will strain the health care system, state budget



H.R. 1 makes profound structural changes



Medicaid work requirements: Requires abled-bodied individuals to complete at least 80 hours of work or qualifying activities monthly; provision goes into effect no later than Dec. 31, 2026.



Medicaid enrollment, eligibility, and revalidation: Revises how states handle enrollment, eligibility, and revalidation. Most of these provisions go into effect at the end of 2026.



Provider taxes: Beginning in FY 2028, ratchets down the maximum tax rate (6%) by 0.5% per year to a maximum rate of 3.5% in FY 2032.

H.R. 1 will compound budget pressures

According to the Oregon Health Authority, the state will need increased general fund support to maintain current levels of funding for the Oregon Health Plan:

2027–2029 estimated program impacts:

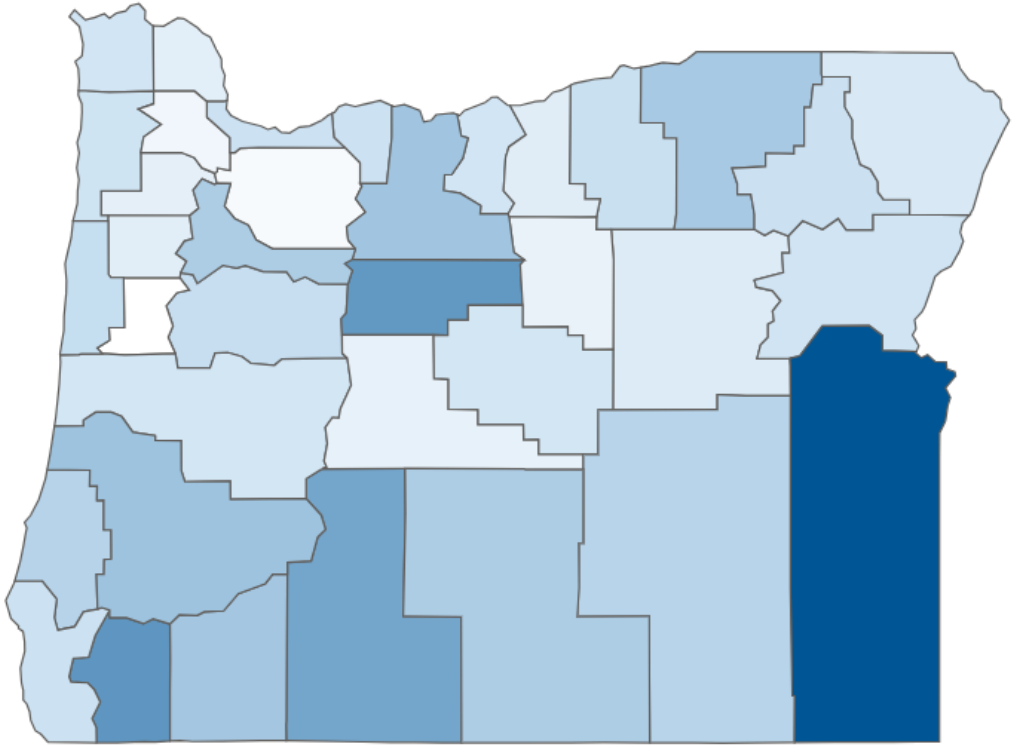
- $421 million General Fund deficit
- Equals a 5% increase in state funds

2029–2031 estimated program impacts:

- $868 million General Fund deficit
- Equals a 10% increase in state funds

At the same time, the state estimates that 200,000 Oregonians could lose health coverage.

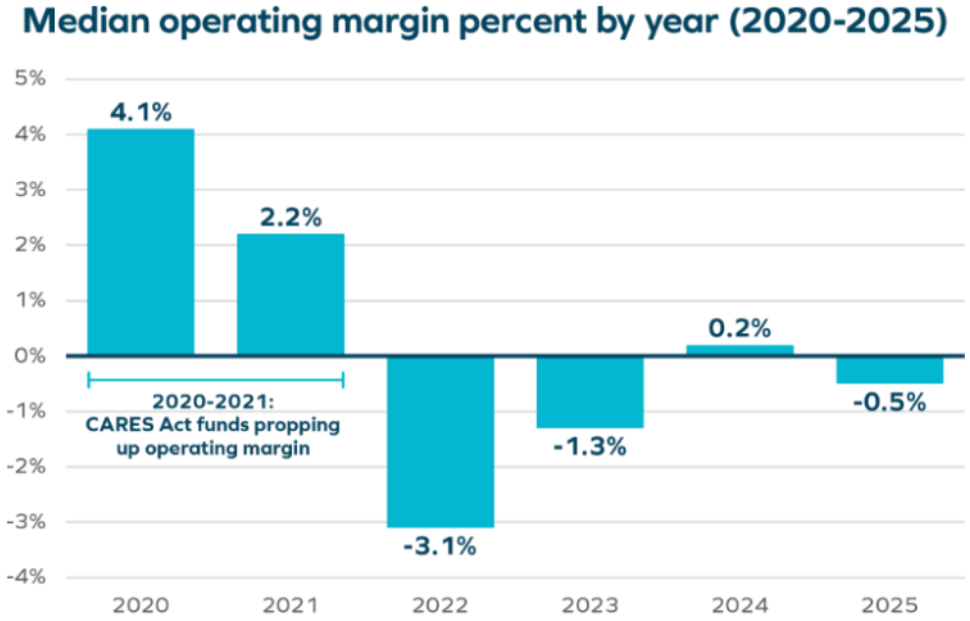
Rural communities rely on the social safety net



Percent of Oregonians enrolled in the Oregon Health Plan by county (August 2026)

Hospitals already facing financial headwinds

Hospitals face growing financial pressures

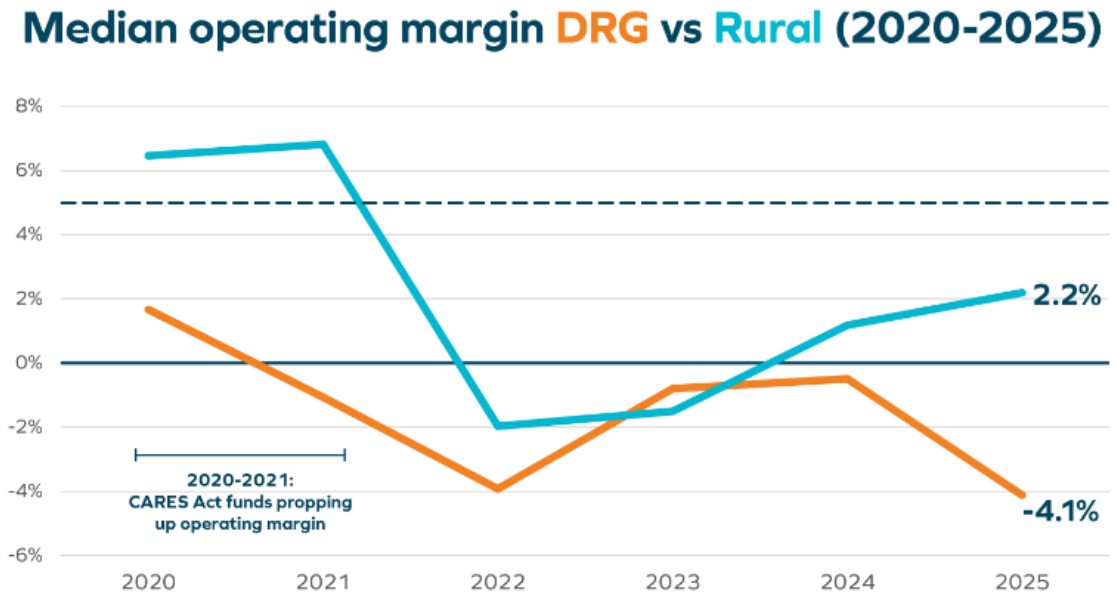


In 2025, more than half of hospitals **operated at a loss**.

75% of Oregon *health systems* **operated at a loss** or barely broke even.

This includes most of the state's large hospitals.

Oregon's health care safety net is fraying



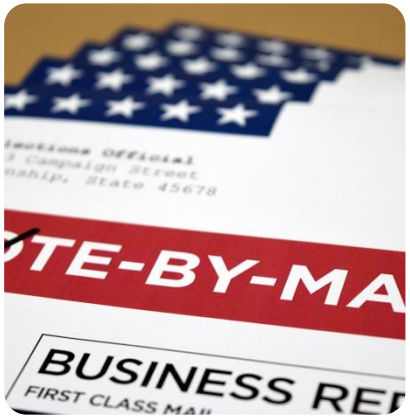
Since 2025, Oregon hospitals

- **Cut 1,000 jobs**
- **Closed the state's only long-term acute care hospital**, and inpatient beds at another hospital, resulting in the loss of 150 hospital beds statewide
- **Closed or consolidated services**
  - Two labor and delivery units
  - Pediatric intensive care unit
  - Urgent care clinics
  - Specialty clinics that focus on heart care, eye care, occupational health, cardiac and pulmonary rehab, neuro-rehab, and pain management
- **Sought partnerships to stabilize operations**

Political landscape



Key dates for the 2027 session



Election Day
Nov. 3



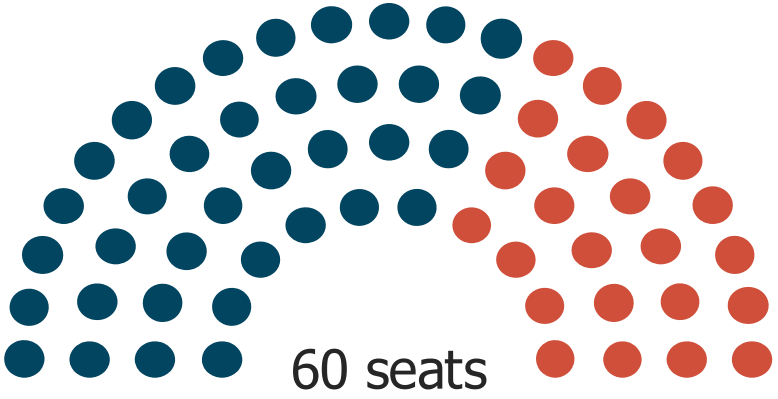
Session convenes
Jan. 19



Constitutional sine die
June 27

Current legislative seats

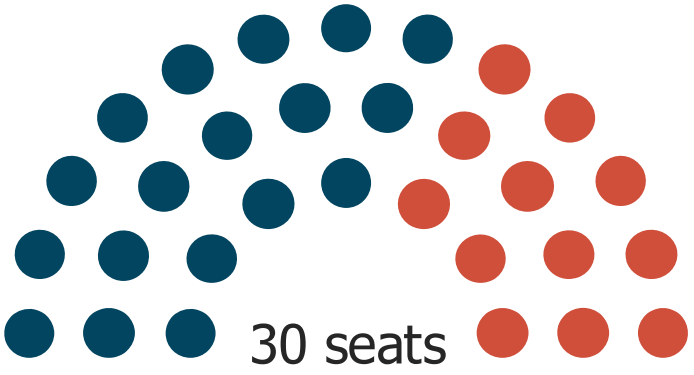
State House



Democrats: **37**

Republicans: **23**

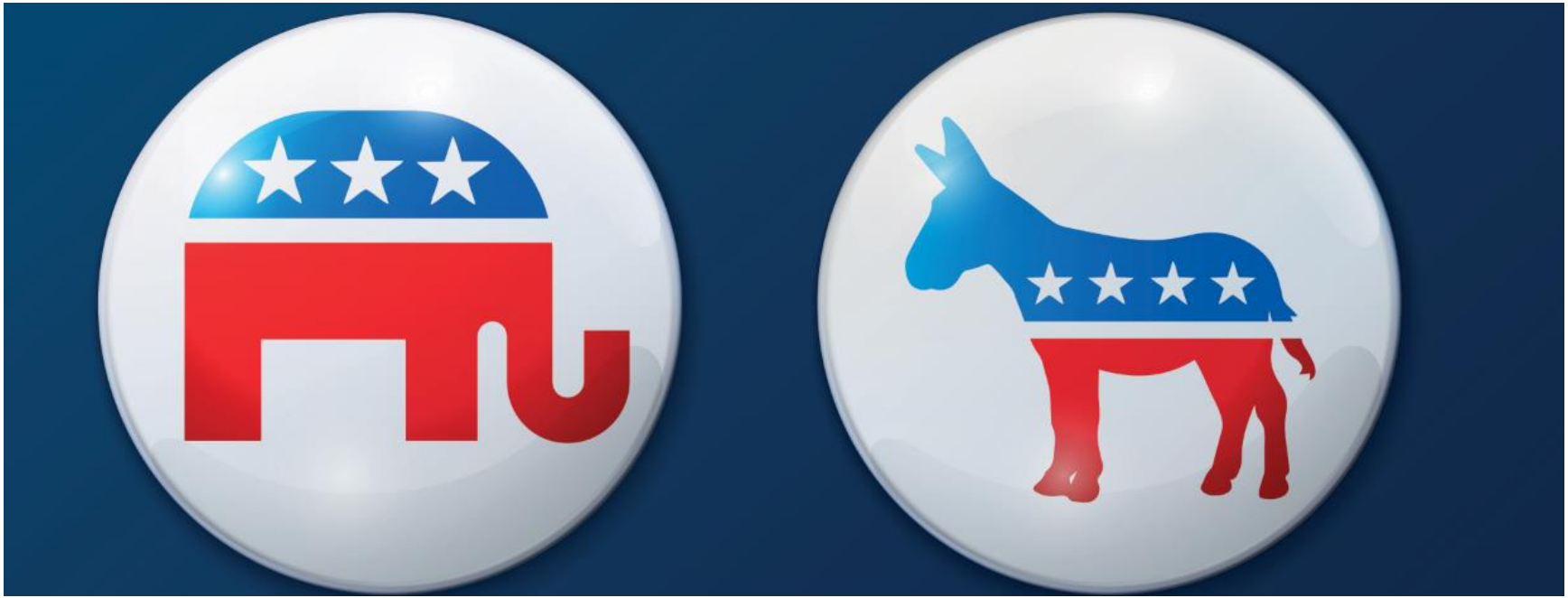
State Senate



Democrats: **18**

Republicans: **12**

Caucus dynamics



Oregon governor's race



Gov. Tina Kotek (D)



Christine Drazan (R)

Focus on affordability intensifies

- **State:** Oregon Health Policy Board Affordability Committee recommends hospital rate caps
- **Federal:** U.S. House Energy and Commerce Committee holds meetings on health care affordability



Former AHA President and CEO Rick Pollack testifies before the U.S. House Committee on Energy and Commerce Subcommittee on Health during a March 18 hearing on lowering health care costs.

HAO 2027 policy agenda



Strengthen the hospital safety net

- ✓ Protect and strengthen Medicaid payment for hospital services
- ✓ Require insurers to return more of the health care dollar to the bedside and make it easier for patients to get health care

Cut bureaucratic red tape and do no more harm

- ✓ Make the Health Care Market Oversight (HCMO) program a checkpoint—not a roadblock
- ✓ Right the wrongs of the hospital staffing law
- ✗ Do not cut payments to hospitals
- ✗ Do not subject Oregon hospitals to a price cap
- ✗ Do not add more red tape

Discussion



Hospital Association of Oregon

Thank you

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