2026 Oregon Rural Health Conference Presentation Slides

Oregon Rural Health Conference

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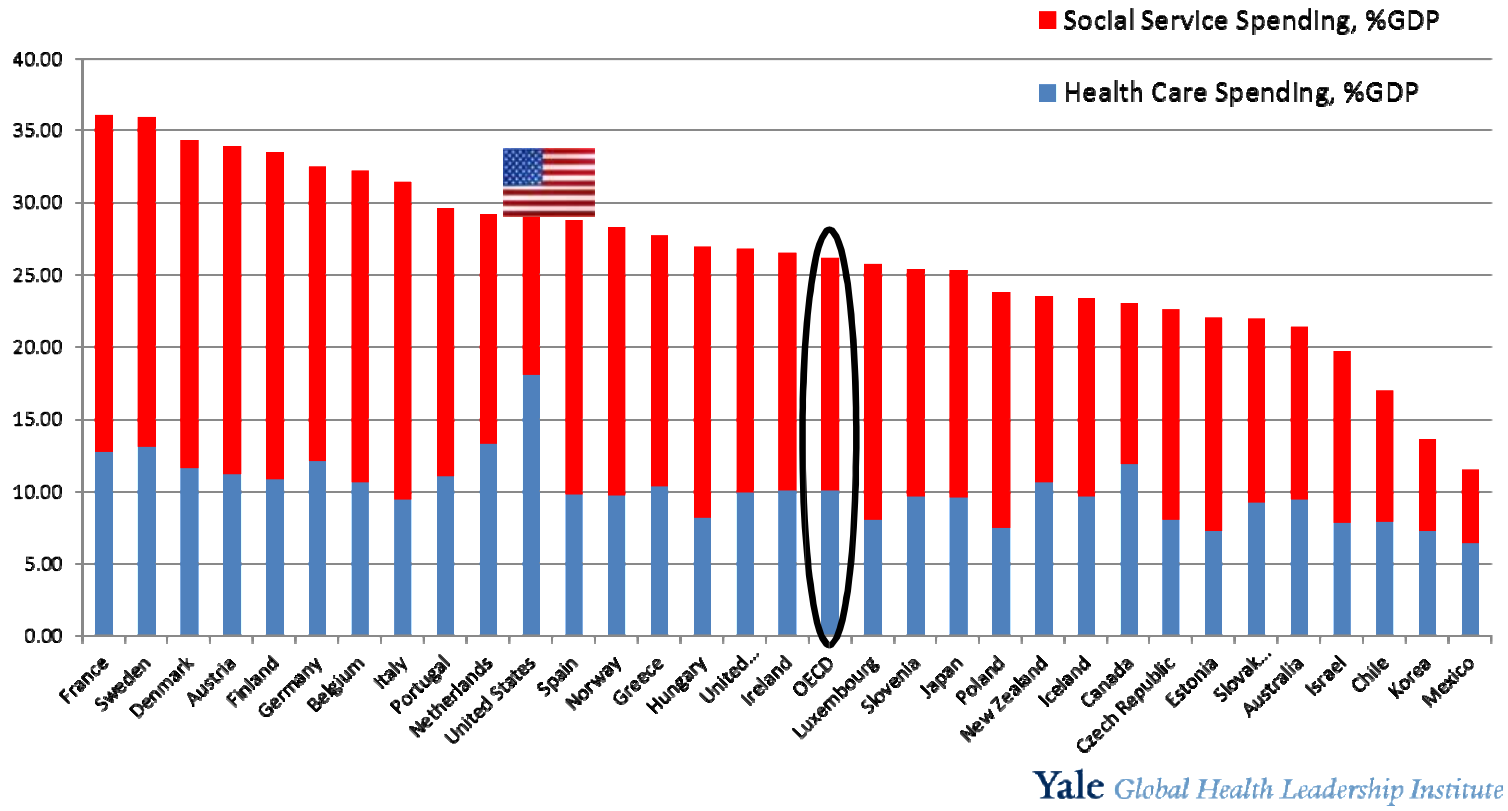
October 7, 2026



- We cannot separate the challenges facing our rural healthcare infrastructure, from the challenges facing the larger healthcare system, of which it is a part.

- We cannot separate the challenges facing rural hospitals and healthcare practitioners, from the significant socioeconomic changes that have taken place across rural communities over the past 50 years.

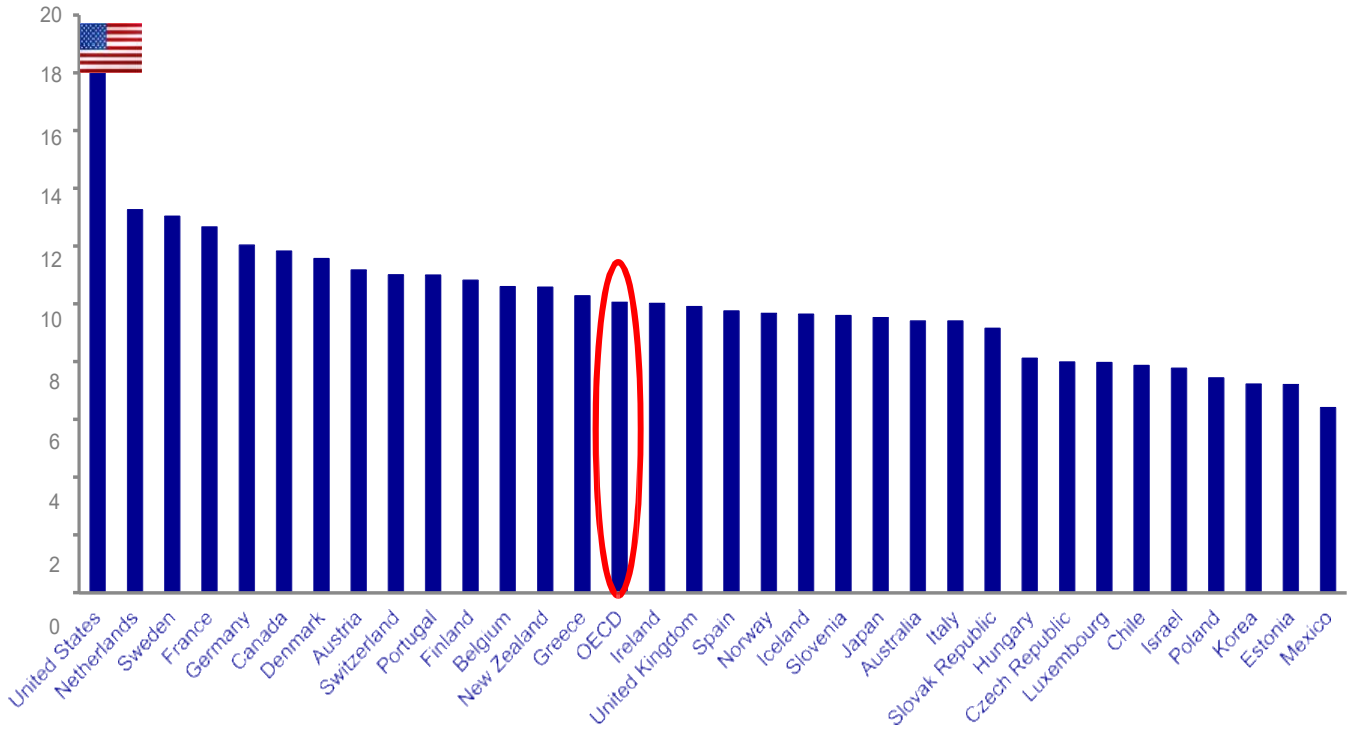
Total Investment in Health as % of GDP



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STATE OF REFORM
HEALTHCARE POLICY CONFERENCES

Health Expenditures as % of GDP, 2009



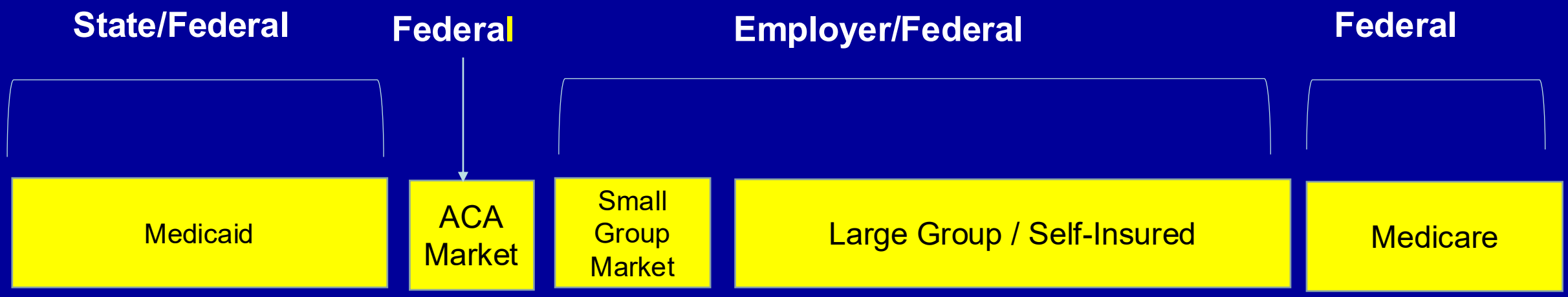
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Implicit Structure of Cross Subsidies

- Commercially insured people – and their employers – subsidize Medicare, Medicaid, and the uninsured.

- A few high margin services, like oncology, cardiology and neurosciences, subsidize the low margin services—that define a health system's community mission—like obstetrics, behavioral health, and primary and emergency care.

Subsidy Map



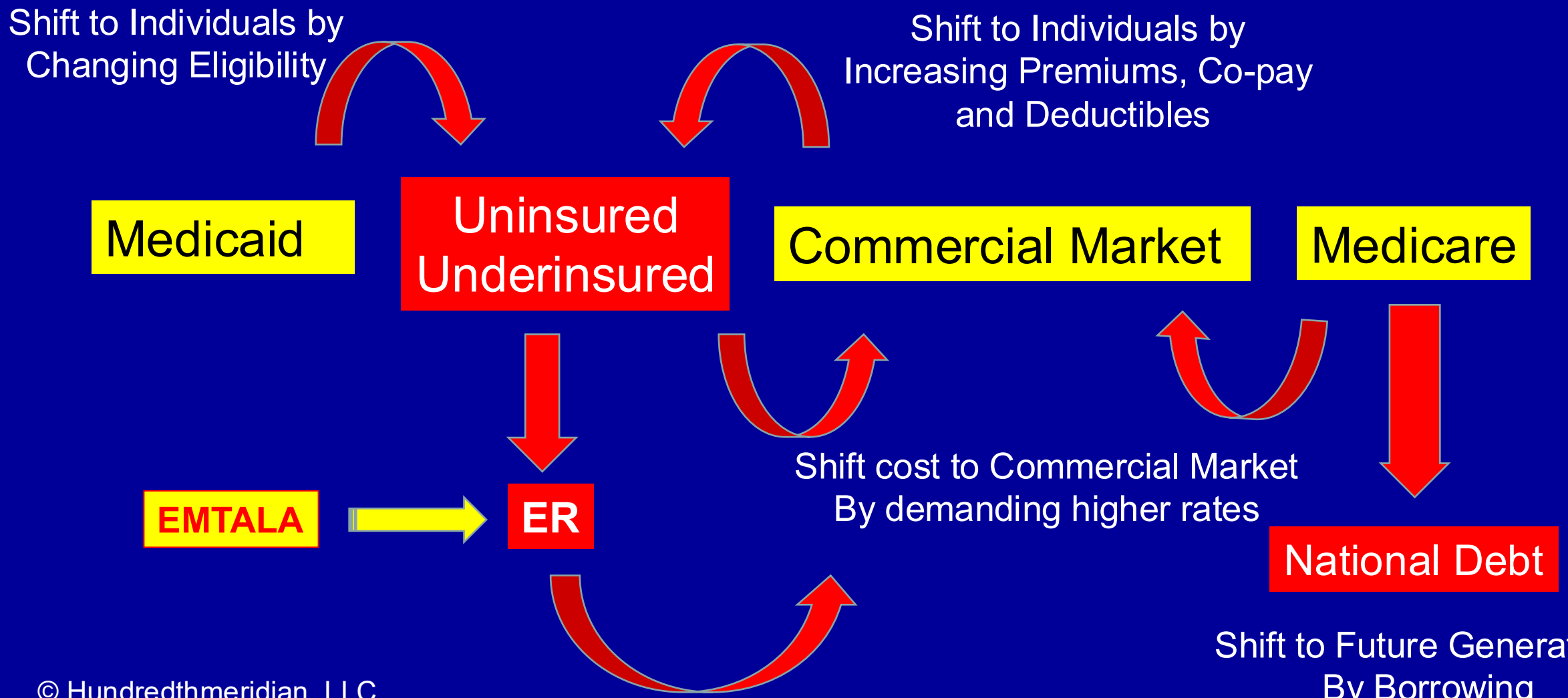
2024 Federal Health Care Expenditures

$2 Trillion

$912 Billion	Medicare
$588 Billion	Medicaid
$384 Billion	Tax Exclusion
$125 Billion	ACA Market

Cost Shifting

A Vicious Cycle that erodes the fiscal sustainability of the entire system



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Pinning the Future of our Healthcare System on 2 Risky Bets

- That employers will continue to passively accept double digit year-over-year premium rate increases

- That the federal government–shackled with a $40 trillion national debt–will continue to borrow heavily from future generations to fund Medicare, Medicaid and the tax exclusion for employer sponsor coverage

"If something can't go on forever, it will stop."

Stein's Law

Challenges Facing Rural Oregon and Rural Healthcare



A Convergence of Factors has put Rural Healthcare and Rural Communities at Risk

- The outmigration of young adults,
- Low wages
- More people on Medicaid and Medicare
- The demand for services is outpacing the number of providers
- The loss of federal funds under HR 1 will disproportionally impact rural communities

Unique Challenges Facing Rural Healthcare

- Low volume
- Payer mix skewed toward public reimbursement
- Low primary care capacity
- Difficulty maintaining low margin services
- No pipeline for training and retaining rural providers

Health System Sustainability Group Recommendations to the Governor

- Administrative, Regulatory and Reporting Relief
- Changes to the Delivery System and Payment Model
- Reinvesting in and Rebuilding Primary Care Capacity
- Addressing the Mental Health System

Recommendations can be found on The Foundation for Medical Excellence website. https://tfme.org/

Click “Health Policy” tab

A 6-Year, 3-Biennia Strategy to Stabilize Oregon's Healthcare System

Issues that still need urgent attention

- Reducing the Cost of Prescription Drugs
- Determining the True Cost of Care
- Reducing the Cost & Friction between Payers and Providers in the Billing & Claims Adjudication Process

Form Follows Function

- Creating a Consortium of Rural Hospitals
- Reconsidering the Payment Model
- Re-evaluating the Multiple Classifications for Rural Hospitals
- Consider Regionalizing Low-margin Services
- Reinvesting in a Robust Primary Care Infrastructure
- Building a Pipeline for Rural Healthcare Professionals
- Encourage *Business Oregon* to view affordable housing, education and access to healthcare, as Core Economic Drivers, rather than as separate social services

