MORROW COUNTY HEALTH DISTRICT
Excellence in Healthcare

**Board Meeting Agenda**
**August 31st 2026 at 6:30 pm**

| | |
|---|---|
| **In Person** | Pioneer Memorial Clinic Conference Room, 130 Thompson St, Heppner, OR 97836 |
| **Zoom** | https://us06web.zoom.us/j/5835486997?omn=82225002168<br>Meeting ID: 583 548 6997 |

1. **Call to Order and Pledge of Allegiance**

2. **Public Comment (Maximum of 3 minutes per person. Maximum of 30 minutes for comments)**

3. **Approval of Meeting Minutes**
   A. July 27th, 2026

4. **Consent agenda**
   A. CEO Dashboard – Shiloh Erven, CEO
   B. Quality Report – Dr. Emily Jack, Medical Director (Clinics and Hospital Inpatient)
   C. EMS Stats – Jodi Ferguson, Finance Director

5. **Reports**
   A. CEO Report – Shiloh Erven, CEO
      i. Recruitment Update
      ii. RHTP Funding Update
      iii. CEO Onboarding Plan Update
      iv. Hospital Association of Oregon Report
   B. Financial Report – Rick Worden, CFO

6. **Old Business**

   A. Tax Anticipation Note: Request for Approval – Rick Worden, CFO & Shiloh Erven, CEO
   B. Special Board Education Meeting, Scheduled Wednesday, October 21st at 9:00AM. Location of meeting will be Pioneer Memorial Clinic Conference Room in Heppner.
   C. Community Benefit Review

7. **New Business**
   A. Compliance Committee Board Participation – Julie Baker, Director of Compliance and Risk Management

8. **Adjourn**

## Promise of Excellence

**Compassion:** Being motivated with a desire to assist patients and staff with empathy and kindness and committed to going the extra mile to ensure patients and staff feel comfortable and welcomed.

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9. **Next meeting to be held on September 28th, 2026 at 6:30PM - Boardman City Hall, 200 City Center Drive, Boardman, OR 97818**

MORROW COUNTY HEALTH DISTRICT
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| | | | |
|---|---|---|---|
| **Meeting** | Board of Directors | | |
| **Date / Time** | July 27, 2026, 6:30 pm | **Location** | Ione Fire Station<br>140 West Main Street, Ione, Oregon 97843<br>Microsoft Teams |
| **Chair** | Janet Greenup | **Recorder** | Natalia Wight |
| **Board Members** | **Present:** Janet Greenup**,** Lisa Pratt, Jason Hanna, Annetta Spicer, McKenzie Bailey | | |
| **Attendees** | **Staff:** Bob Houser, Shiloh Erven, Natalia Wight, Rick Worden, Dr. Emily Jack, Caroline Scrivner, Sheryl Angell, Staci Hedman, Lisa Spencer, Tina Montgomery, Jodi Ferguson, Jamie Houck, Katelin Tellechea, Eva McMasters<br>**Press:** Gazette Times<br>**Guests:** N/A | | |

**Mission**
**Bring essential health services to our rural communities that meet the unique needs of the people we serve.**

**Vision**
**Be the first choice for quality, compassionate care, and lead the way in promoting wellness and improving health in our communities.**

**Values**
**Integrity, Compassion, Quality, Respect, Financial Responsibility**

| Agenda Item | Minutes |
|---|---|
| **1. Call to Order & Pledge of Allegiance** | Chair Janet Greenup called the meeting to order at 6:30 pm. |
| **2. Public Comment** | • Brandon Hammond; expressed thanks for the relocation of Boardman Immediate Care mobile bus. |
| **3. Approval of Meeting Minutes**<br>A. June 29, 2026 | **MOTION:** Lisa Pratt moved to approve the minutes for the June 29, 2026, meeting. Annetta Spicer seconded the motion. **VOTE:** Janet Greenup- yes, McKenzie Bailey- yes, Jason Hanna- yes, Lisa Pratt- yes, Annetta Spicer- yes. The motion passed. |
| **4. Consent Agenda**<br>A. CEO Dashboard – Bob Houser<br>B. Quality Report – Dr. Jack<br>C. EMS Stats – Jodi Ferguson | Before the consent agenda was presented, Chair Greenup requested that an agenda item be added: elect Vice-Chair. **MOTION:** Jason Hanna moved to add agenda item, Elect Vice-Chair, under new business. McKenzie Bailey seconded the motion. **VOTE:** Janet Greenup - yes, Lisa Pratt - yes, Annetta Spicer - yes, Jason Hanna - yes, McKenzie Bailey - yes. The motion passed.<br><br>A. Bob Houser discussed the CEO Dashboard (see packet). Houser noted the HR turnover rate was at 3.0%, with the vacancy rate at 10.29% and no newly created open positions for the month. He reviewed clinic stats, noting third next available and total visits. Pratt asked why there were large differences in clinic visits by provider; Houser stated some providers currently had more established patient relationships.<br><br>B. Dr. Jack stated she did not have an official quality report prepared but wanted to know what the board would like to know. Hanna asked what quality goals have been set. Dr. Jack discussed that they are working to reduce the amount of MA visits, decrease the no-show rate, and increase services (such as |

| | |
|---|---|
| | allergy shots and home visits). Dr. Jack stated she is currently working to promote annual wellness visits and sports physicals. Providers will be donating time to provide free sports physicals at Heppner High School in August, and she is working to expand this service to other local schools. Discussion was held on the possibility of offering group visits to community members, which could include diabetes and hypertension education in the future.<br><br>C. Jodi Ferguson reviewed the EMS Stats (see packet). |
| **5. Reports**<br>A. CEO Update – Bob Houser<br>1a. Community Benefit Request from Heppner Day Care, Inc<br>2a. Home Health/Hospice Report- Lisa Spencer, Director<br>B. Financial Report – Rick Worden, CFO | A. Shiloh Erven and Bob Houser provided a CEO Update (see packet). Erven shared an update that later this week, a PA will be coming on site to visit and tour the area. This PA would be hired to work at Irrigon Medical Clinic. Early next week, the new Interim EMS Director will arrive and begin their 12-week contract. Erven will also be meeting with two EMS Director candidates in person for interviews for the permanent position. Houser discussed that there is currently a backorder on AED's, with the backorder expected to end late August/mid-September. Houser added that he spoke with the EMS team regarding maintenance of the AED units that have been distributed throughout the community, with the expectation being that we will replace batteries. There is not currently a list, but one will be created for future reference. Discussion opened regarding the Boardman Immediate Care mobile bus being moved and parked in Irrigon until a decision has been made regarding future plans. Pratt stated that Boardman Immediate Care signage is still posted on the building, which could create confusion and should possibly be removed. Discussion regarding meeting with Boardman community members to ask what services they would like us to provide. Houser added that Dr. Russ Nichols has completed orientation and will begin seeing patients August 3rd. Erven provided a summary of the contract that the District has signed with Wellvana, which is an organization that helps hospitals save money on Medicare Advantage Plans. Erven explained that Wellvana will assume 100% of any potential risk. MCHD would retain 60% of savings; Wellvana would retain 40% of savings. The savings are projected to be in the six-figure range.<br><br>1a. McKenzie Bailey presented a Community Benefit Request (CBR) to the Board from Heppner Day Care, Inc for $10,000 to help support the cost of building a new Day Care Center on property they have purchased on Main Street, Heppner, located south of the Dollar General—further explanation made by Dr. Jack and McKenzie Bailey.<br><br>**MOTION:** Jason Hanna moved to approve the Community Benefit Request for $5000. Lisa Pratt seconded the motion. **VOTE:** Janet Greenup- yes, Lisa Pratt- yes, Jason Hanna- yes, Annetta Spicer- yes, McKenzie Bailey- abstained from voting. The motion passed. |

| | |
|---|---|
| | Discussion regarding the motion was held before a vote. Hanna stated that we are only one month into the fiscal year and we want to make sure we spread Community Benefit funds evenly, so suggested committing half of the request now, leaving the option open to revisit this subject later this year.<br><br>2a. Lisa Spencer, Home Health & Hospice Director, presented the annual quality report for Home Health and Hospice. This includes the Quality Assessment and Performance Improvement Plan (QAPI Plan) and Performance Improvement Plan. Spencer outlined the measures that will be tracked and goals that have been set. Discussion regarding how these goals will be met and any potential barriers was had. Spencer will report on progress quarterly.<br><br>**MOTION:** Lisa Pratt moved to approve the Performance Improvement Plan as presented. Annetta Spicer seconded the motion. **VOTE:** Janet Greenup- yes, Lisa Pratt- yes, Jason Hanna- yes, Annetta Spicer- yes, McKenzie Bailey- yes. The motion passed.<br><br>**MOTION:** McKenzie Bailey moved to approve the Quality Assessment and Performance Improvement Plan as presented. Jason Hanna seconded the motion. **VOTE:** Janet Greenup- yes, Lisa Pratt- yes, Jason Hanna- yes, Annetta Spicer- yes, McKenzie Bailey- yes. The motion passed.<br><br>B. Rick Worden presented the Financial Report (see packet). Worden noted that days cash on hand is at 13 and then explained how that figure is calculated. Worden added that days in AR is improving and down to 66. Discussion regarding bad debt write-offs and aging accounts was had. |
| **6. Medical Staff Report**<br>A. Approve Staff Privileges – Appointment of:<br>• Sydney Asper, MD, consulting/CORA<br>• SirajHaq, MD, consulting/CORA<br>• Hanorah McDonald, APRN-NP, Active<br>• Elizabeth Shanks, PT, Allied/Consulting, Rocky Mountain PT<br>B. Approve Staff Privileges – Re-Appointment of:<br>• Shelley McCabe, PT, Allied/Consulting, Rocky Mountain PT<br>• Regina Lazinka, SLP, Allied/Consulting, Rocky Mountain PT | A. **MOTION:** Lisa Pratt moved to approve credentials and privileges as presented for Sydney Asper, MD, consulting/CORA, SirajHaq, MD, consulting/CORA, Hanorah McDonald, APRN-NP, Active, Elizabeth Shanks, PT, Allied/Consulting, Rocky Mountain PT. Jason Hanna seconded the motion. **VOTE:** Janet Greenup- yes, Lisa Pratt- yes, Jason Hanna- yes, Annetta Spicer- yes, McKenzie Bailey- yes. The motion passed.<br><br>B. **MOTION:** Jason Hanna moved to approve credentials and privileges as presented for Shelley McCabe, PT, Allied/Consulting, Rocky Mountain PT, and Regina Lazinka, SLP, Allied/Consulting, Rocky Mountain PT. Annetta Spicer seconded the motion. **VOTE:** Janet Greenup- yes, Lisa Pratt- yes, Jason Hanna- yes, Annetta Spicer- yes, McKenzie Bailey- yes. The motion passed. |

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| | |
|---|---|
| **7. Old Business**<br>A. Closing on the Boardman Ambulance Building | A. Houser provided the Board with an update that the Boardman Ambulance building sale was scheduled to close at the beginning of July; however, it was discovered that this building was held as collateral on two loans. Rick Worden, CFO, is working to have this changed and released so that the sale can be finalized. |
| **8. New Business**<br>A. Election of Vice-Chair | Chair Greenup opened nominations for Board Vice-Chair.<br>**MOTION:** Lisa Pratt moved to nominate McKenzie Bailey as Board Vice-Chair. Jason Hanna seconded the motion. **VOTE:** Janet Greenup- yes, Lisa Pratt- yes, Jason Hanna- yes, Annetta Spicer- yes, McKenzie Bailey- yes. The motion passed.<br><br>Discussion opened regarding Board quorum and public meeting laws. Additional discussion was had regarding SDAO Board of Directors training sessions and possibly scheduling a private training session in the future. |
| **9. Executive Session** | A. None |
| **10. Return to Open Session** | |
| **11. Adjourn** | With no further business to come before the Board, regular session adjourned at 8:14 pm<br>Minutes taken and submitted by Natalia Wight. Approved _____. |

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## August 2026 Meeting

| HUMAN RESOURCES | |
|---|---|
| **Turnover Rate** (Rolling 3 Months: May-June-July) | 5.8% |
| **Vacancy Rate** | 10.64% |
| **Number of Open Positions** | 12.5 |
| **Newly Created Open Positions** | 0 |

The annual total separations rate for health care and social assistance for August 2025 was 3.1 (Bureau of Labor Statistics).

| FINANCIAL | | |
|---|---|---|
| **Days Cash on Hand** | | Goal ≥ 90 |
| **Days in AR Cerner** | | Goal ≤ 60 |
| **Days in AR (All)** | | |

| RURAL HEALTH CLINICS | | | | |
|---|---|---|---|---|
| **MEASURE** | **PMC** | **ICC** | **IMC** | **BIC** |
| **Third Next Available** (Current Month) | 33 | 10 | 20 | N/A |
| **Total Visits** (Previous Month) | 271 | 38 | 230 | N/A |
| **Total (BH) Visits** (Previous Month) | 48 | N/A | 63 | N/A |

"Third Next Available" is an industry standard measurement of primary care access. It is defined as the average length of time in days between the day a patient makes a request for an appointment with a provider and the third available appointment for a new patient physical, routine exam, or return visit exam. Values shown are clinic averages.

| PIONEER MEMORIAL HOSPITAL | |
|---|---|
| **Hospital Admit Days (IP, SS, NSS, OBS, R)** (Previous Month) | 111 |
| **Emergency Department Visits** (Previous Month) | 107 |
| **Hospital Outpatient Visits** (Previous Month) | 290 |

| HOME HEALTH & HOSPICE | |
|---|---|
| **Hospice Days** (Previous Month) | 95 |
| **Home Health Visits** (Previous Month) | 61 |

## NRC Patient Experience Real-Time Survey

The real-time survey platform was implemented on June 1st, 2025. Stats show a cumulative report of all responses since implementation. Starting on June 1, 2026 stats will show a 12 month rolling period. Patients are contacted via text, e-mail, or phone with a 24 hour delay between attempts to give them the opportunity to complete the survey. Patients contact information must be captured correctly in CERNER to receive the survey.

What is the NRC Net Promoter Score? It is a metric that reflects how likely a patient is to recommend a healthcare organization to others.

Would you recommend this provider's office to your family and friends? (Net Promoter Score)

| | Rolling 12 Month Period | | |
|---|---|---|---|
| | **May** | **June** | **July** |
| **Boardman Immediate Care** | **76.0%** Responses = 75 | **77.0%** Responses = 74 | **NA** Responses = NA |
| **Ione Community Clinic** | **93.7%** Responses =254 | **93.2%** Responses =236 | **93.3%** Responses = 223 |
| **Irrigon Medical Clinic** | **75.7%** Responses = 313 | **75.5%** Responses = 302 | **76.7%** Responses = 300 |
| **Pioneer Memorial Clinic** | **92.9%** Responses = 322 | **94.1%** Responses = 341 | **94.4%** Responses = 357 |
| **All Clinics Combined** | **86.2%** Responses = 964 | **86.7%** Responses = 953 | **88.1%** Responses = 880 |
| **NRC Benchmark** | **86.7%** | | |

Would you recommend this service/department to your friends or family? (Net Promoter Score)

| | Rolling 12 Month Period | | |
|---|---|---|---|
| | **April** | **May** | **June** |
| **Emergency Department** | **69.6%** Responses = 135 | **70.1%** Responses = 137 | **68.7%** Responses = 134 |
| **NRC Benchmark** | **80.5%** | | |
| **EMS HEPPNER/IRRIGON** | **61.1%** Responses = 18 | **65.0%** Responses = 20 | **61.1%** Responses = 18 |
| **NRC Benchmark** | **82.5%** | | |
| **Lab** | **76.2%** Responses = 101 | **77.5%** Responses = 102 | **78.4%** Responses = 102 |
| **NRC Benchmark** | **80.5%** | | |
| **Radiology** | **64.7%** Responses = 51 | **66.7%** Responses = 48 | **71.4%** Responses = 49 |
| **NRC Benchmark** | **81.8%** | | |

# NRC HCAHPS

All HCAHPS are captured via a paper survey that is mailed to all admitted inpatients at Pioneer Memorial Hospital. CMS requires paper surveys for HCAHPS at this time.

| Using any number from 0 to 10, where 0 is the worst hospital possible and 10 is the best hospital possible, what number would you use to rate this hospital during your stay? | |
|---|---|
| **Rolling 12 Month Period (June 2025- June 2026)** | |
| **Inpatient** | **57.1%** |
| | Responses = 7 |
| **NRC Average** | 71.5% |

| Would you recommend this hospital to your friends and family? | |
|---|---|
| **Rolling 12 Month Period (June 2025- June 2026)** | |
| **Inpatient** | **57.1%** |
| | Responses = 7 |
| **NRC Average** | 72.4% |

MORROW COUNTY HEALTH DISTRICT
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| 2026 | IRRIGON | | | | | | | | HEPPNER | | | | | | | | IONE | | | | LEXINGTON | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 298 (First Out) | | | | 299 | | | | 599 (First Out) | | | | 598 | | | | 699 | | | | 499 | | | |
| | Dispatch to En Route | Response Time | Number of Runs | Number of Transports | Dispatch to En Route | Response Time | Number of Runs | Number of Transports | Dispatch to En Route | Response Time | Number of Runs | Number of Transports | Dispatch to En Route | Response Time | Number of Runs | Number of Transports | Dispatch to En Route | Response Time | Number of Runs | Number of Transports | Dispatch to En Route | Response Time | Number of Runs | Number of Transports |
| 9-1-1 January | 1.6 | 3.1 | 44 | 23 | 2.0 | 4.1 | 7 | 7 | 1.0 | 5.5 | 32 | 25 | 2.5 | 4.5 | 2 | 1 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 |
| Transfers January | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 2.0 | 20.0 | 3 | 3 | 3.0 | 27.5 | 5 | 5 | 0.0 | 0.0 | 0 | 0 | 0.0 | 1.0 | 1 | 1 |
| 9-1-1 February | 1.0 | 4.0 | 38 | 27 | 0.5 | 2.5 | 2 | 1 | 1.0 | 12.0 | 15 | 15 | 1.0 | 2.0 | 6 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 |
| Transfers February | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 1.0 | 1.0 | 4 | 4 | 0.0 | 0.0 | 0 | 0 | 3.0 | 2.5 | 2 | 2 |
| 9-1-1 March | 1.0 | 4.0 | 29 | 22 | 0.5 | 1.5 | 3 | 2 | 2.0 | 5.1 | 28 | 23 | 1.0 | 2.0 | 10 | 5 | 0.0 | 0.0 | 0 | 0 | 0.9 | 0.9 | 2 | 2 |
| Transfers March | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 1.0 | 4.8 | 3 | 3 | 0.0 | 0.0 | 0 | 0 | 13.0 | 1.0 | 1 | 1 |
| 9-1-1 April | 1.0 | 4.0 | 41 | 33 | 1.1 | 2.0 | 5 | 5 | 1.0 | 5.0 | 26 | 24 | 1.5 | 3.3 | 3 | 3 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 |
| Transfers April | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 2.7 | 14.5 | 4 | 4 | 0.0 | 0.0 | 0 | 0 | 1.5 | 0.5 | 2 | 2 |
| 9-1-1 May | 1.2 | 6.2 | 37 | 24 | 1.0 | 2.0 | 1 | 1 | 1.3 | 13.2 | 20 | 13 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 |
| Transfers May | 0.0 | 0.0 | 0 | 0 | 1.0 | 18.0 | 1 | 1 | 0.0 | 0.0 | 0 | 0 | 1.6 | 1.6 | 6 | 6 | 0.0 | 0.0 | 0 | 0 | 1.0 | 2.0 | 1 | 1 |
| 9-1-1 June | 1.4 | 6.1 | 32 | 20 | 1.2 | 6.7 | 4 | 1 | 1.2 | 10.3 | 24 | 12 | 1.8 | 9.4 | 5 | 2 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 |
| Transfers June | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 1.0 | 1.0 | 1 | 1 | 3.6 | 8.2 | 5 | 5 | 0.0 | 0.0 | 0 | 0 | 1.0 | 1.0 | 1 | 1 |
| 9-1-1 July | 1.1 | 4.9 | 41 | 24 | 1.4 | 5.4 | 5 | 3 | 1.5 | 14.0 | 23 | 20 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 |
| Transfers July | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 | 6.1 | 4.4 | 7 | 7 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 | 0 | 0 |
| 9-1-1 August | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers August | | | | | | | | | | | | | | | | | | | | | | | | |
| 9-1-1 September | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers September | | | | | | | | | | | | | | | | | | | | | | | | |
| 9-1-1 October | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers October | | | | | | | | | | | | | | | | | | | | | | | | |
| 9-1-1 November | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers November | | | | | | | | | | | | | | | | | | | | | | | | |
| 9-1-1 December | | | | | | | | | | | | | | | | | | | | | | | | |
| Tranfers December | | | | | | | | | | | | | | | | | | | | | | | | |
| **TOTAL** | | | 262 | 173 | | | 28 | 21 | | | 172 | 136 | | | 60 | 45 | | | 0 | 0 | | | 10 | 10 |

**Dispatch to en route** means the length of time between when the ambulance is dispatched to when the ambulance leaves the garage.
**Response time** means the length of time between the notification to the ambulance and the arrival of the ambulance at the incident scene.*
*Note that response times are not adjusted for miles traveled.

Hospital Association of Oregon

2025 hospital utilization and financial analysis

# A fraying safety net: Oregon hospitals in crisis

Day or night, in moments of need or crisis, people turn to hospitals for care. Hospitals are not just a part of the health care system; they are the safety net, always open and available to all who need care.

That safety net is fraying. Faced with rising expenses, payments that do not cover the cost of care, bad insurer behavior, and crippling state policies, hospitals are struggling to maintain services and keep their doors open.

In 2025, Oregon hospitals collectively lost more than $450 million caring for patients. This is not just one bad year. Between 2022 and 2025, Oregon hospitals lost more than $1.25 billion caring for their communities, a staggering number. Financial distress is not unique to one type of hospital or community. It is occurring across the state, at small, rural hospitals, urban hospitals, independent hospitals, and health systems.

Continuing external financial challenges have forced hospitals to make hard decisions. Since 2025, more than 1,000 health care workers have lost their jobs, service lines have been cut, and inpatient beds have been closed.

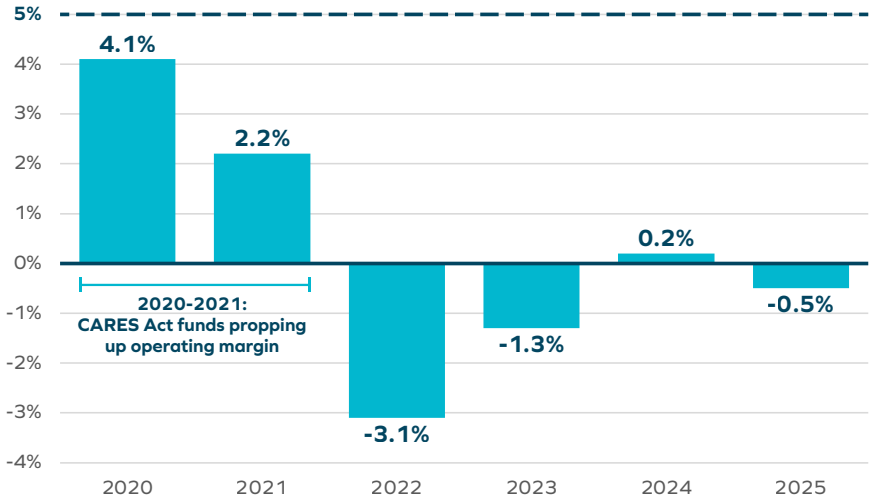
The fragility of hospitals, clinics, and other health care providers will come into sharper focus in the days and years ahead. Federal law (H.R.1) will set in motion a tectonic shift, creating state budget challenges, increasing the number of people without health insurance, and straining the health care system. With Oregon facing the loss of an estimated $12 billion in federal Medicaid funds due to H.R. 1, the current crisis in Oregon's health care system will accelerate.

This report provides an overview of why Oregon hospitals are at a breaking point, what is driving this crisis, how it affects patients and communities, and the actions needed to protect the state's safety net. As policymakers and community leaders consider health care policy in Oregon, this data serves as a foundation for informed decision-making and a call to action.

# The hospital math equation no longer works

Hospitals must have positive operating margins (the difference between what it costs to provide care and what hospitals receive in payment) to pay staff, maintain facilities, and provide services patients need. Yet in Oregon, hospitals have struggled to cover the cost of operations since the pandemic.

## Median operating margin percent by year (2020–2025)[1]




According to KFF, **"positive but relatively modest margins of less than 5%...may signal financial challenges for hospitals."** [2]

## Staggering hospital losses continue

**$450 million**
lost caring for patients in 2025 [3]

**$1.25 billion**
lost caring for patients since CARES Act funds ran out at the end of 2021 [4]

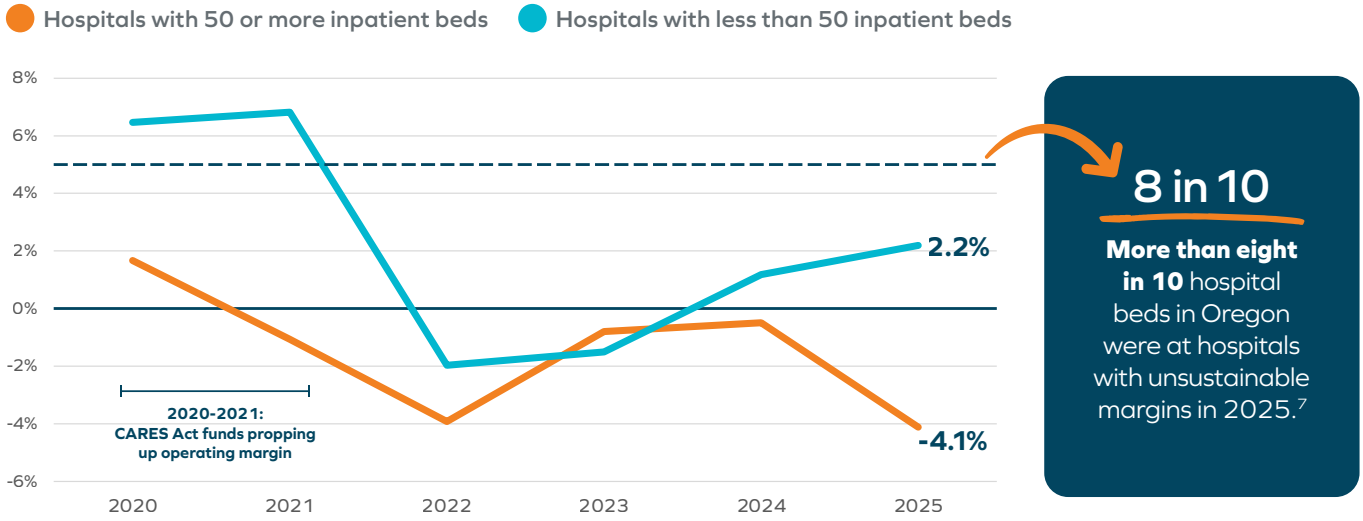
**70%**
of Oregon hospitals had margins in 2025 that may signal financial challenges [5]

> *There isn't a silver lining in these numbers. After five years of deepening losses at many hospitals, communities are losing services, patients have fewer options for care, and more than 1,000 Oregonians have lost their jobs."*
>
> **Becky Hultberg, president and CEO, Hospital Association of Oregon**

## Oregon's health care safety net is fraying across the state

In 2025, more than half of Oregon hospitals operated at a loss, including most of the state's larger hospitals (50 or more inpatient beds) and more than 40% of smaller, often rural hospitals (fewer than 50 inpatient beds).[6] Notably, it marked the fifth straight year of losses for the state's larger hospitals, which offer the highest levels of care.

## Median operating margin

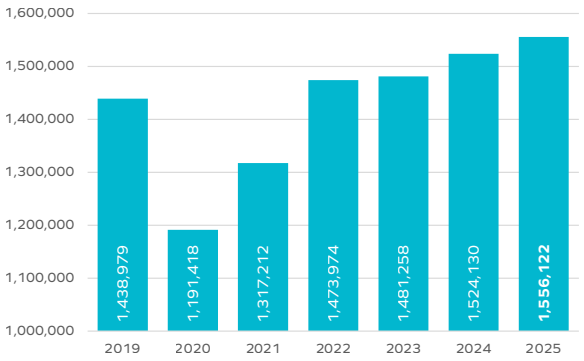



## Hospitals' losses continue despite record-breaking need

The financial challenges of Oregon hospitals are not the result of people needing less care. In fact, demand for hospital care is growing in Oregon, which means that Oregon hospitals need resources to meet that demand.

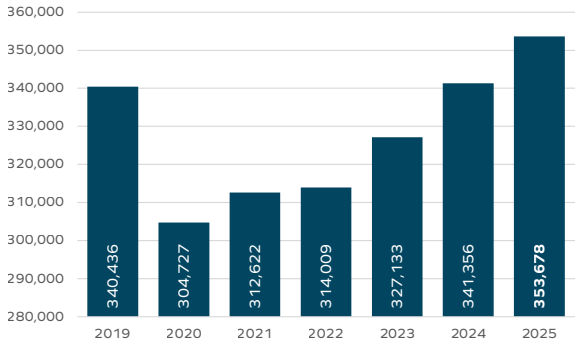
## Emergency department visits

Hospitals saw **32,100** more emergency department visits than 2024.[8]




## Inpatient discharges

Hospitals saw **12,300** more inpatient discharges than 2024.[9]




# Why is the math not working?

**The government does not pay its fair share for patient care, and commercial insurance companies delay and deny care and payment**

**Hospitals' costs to provide care are rising steeply**

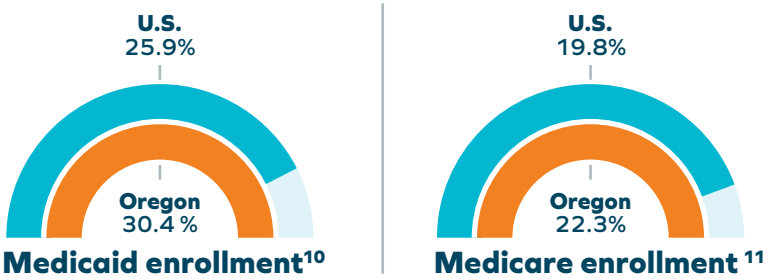
**Oregonians are older, sicker, and need more care**

**Oregon's regulatory landscape is increasing costs and creating operational challenges**

# The government does not pay its fair share for patient care

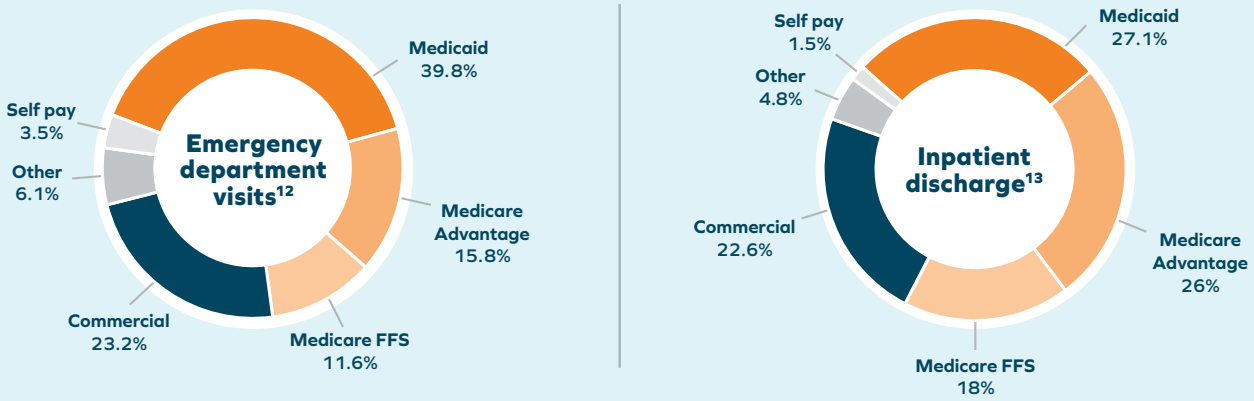
Chronic underpayment from Medicaid and Medicare—the largest payers for hospital services—is putting unsustainable financial pressure on hospitals.

## Oregon is more dependent on government insurance than many other states.




## Medicaid and Medicare use two-thirds of hospital services

Discharge percent by payer (2025)




Medicaid and Medicare use **more than two-thirds of hospitals services in Oregon**[14] and payments from both programs fail to cover the cost of care. Medicaid patients use more hospital services (emergency department and inpatient) than patients covered by any other payer. Yet Medicaid pays the least of all payer categories, covering on average only about half the cost of providing hospital care.

Medicare isn't much better, covering on average only 70 percent,[15] compared to 82 percent nationally.[16] In 2025, Oregon hospitals lost $3.2 billion serving Medicare patients—a 20% increase over 2024 underpayment.[17]

**Medicaid only pays on average about half of what it costs to provide hospital care, and Medicare isn't much better, paying on average about 70%.[18]**

# Commercial health insurers delay and deny payments

Insurance companies are increasingly using tactics like prior authorization to delay and deny necessary care. Prior authorization means that a health insurance company must approve a medical service, treatment, medication, or medical device before the insurer pays for it. Delays and denials affect people's lives and health, and hurt the hospitals that provide care and then don't get paid.

**1 in 5**

Commercial health insurers deny **one in five prior authorization requests** in Oregon.[19]

**9 in 10**

Nine in 10 Oregon health care providers say **prior authorization requirements are a high burden** on their teams—and that these requirements have **increased** over the past five years.[20]

**9 in 10**

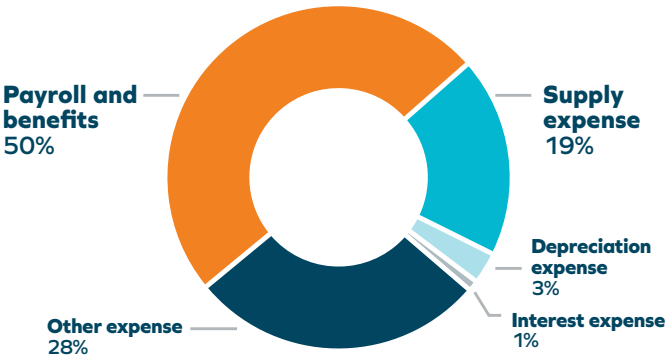
Nine in 10 Oregon health care providers say that prior authorization often results in **delayed care for patients**, with four in 10 saying that it has led to a **serious adverse event**.[21]

> *We're a small health system in the Santiam Canyon. There is a growing threat to health care access across Oregon. Commercial insurers are increasingly denying, downcoding, and delaying payment for care that has already been delivered, creating significant financial and administrative burdens for providers. At Santiam, we successfully overturn a majority of appealed denials, which raises an important question: If the claim ultimately meets coverage requirements, why was it denied in the first place? Too often, insurers are overriding established CMS facility coding guidelines and delaying reimbursement for appropriately coded services. Hospitals and clinics should be focused on caring for patients—not spending months fighting for payment. Greater accountability and oversight are needed to ensure providers are paid fairly, promptly, and according to recognized coding standards so patients can continue to access care close to home."*
>
> **Maggie Hudson, MBA, president and CEO, Santiam Hospital & Clinics**

# Hospitals' costs to provide care are rising steeply

**Between 2020 and 2025, operating expenses for Oregon's hospitals increased 57.5%—from $14.7 billion to more than $22.2 billion.**[22] General inflation, tariffs, unsustainable pharmaceutical and supply cost increases, labor cost escalation, and a challenging regulatory environment drove these increases.

## Operating expenses[23]




> *"The equation is deceptively simple, yet undeniably harsh: Expenses are up and revenue is down, creating an unsustainable trajectory."*
>
> Marty Cahill, president and CEO, Samaritan Health Services

## Operating expenses increase (2020-2025)[24]


## Hospitals are powered by people

Payroll and benefits drive increases in operating costs, and Oregon leads the nation in health care worker wages.

**2nd**

**Oregon is second in the nation** for median wage for health care practitioners.[25]

**30%**

The median wage for health care practitioners in Oregon is **30% higher than the national average.**[26]

**Highest**

Adjusted for cost of living, **Oregon nurses have the highest hourly wage in the nation.**[27]

# Oregonians are older, sicker, and need more care

As hospitals work to maintain services amid ongoing financial losses, they face growing pressure to care for an older, sicker population. Oregon is aging faster than most states and has one of the nation's lowest birth rates in the nation, reshaping health care demand and who pays for care.

**To meet increasing community needs, hospitals must have resources to invest in the workforce, facilities, and infrastructure that support patient care for an aging population.**

**Oldest**
Oregon is the oldest state west of the Mississippi [28]

**65+**
In 2023, adults age 65+ outnumbered children under 18 [29]

**40%**
By 2035, Oregon is projected to have 40% more adults aged 65+ than children [30]

**5th lowest**
Oregon has the fifth-lowest birth rate in the U.S. [31]

> *To keep up with an aging and growing population, our community needs to add about 150 hospital beds every 10 years. Financial constraints make it difficult for hospitals to save up for needed expansion and equipment. Oregon already has the second lowest number of hospital beds per capita in the nation. Skimping on investment today will leave the next generation to grapple with consequences."*
>
> **James Parr, executive vice president of operations and CFO, Salem Health**

## Older patients are in the hospital longer than other groups

**1 in 4**

Medicare patients account for more than **one in four emergency department visits** in Oregon.[32]

On average, each visit is two to four hours longer than for those with Medicaid or commercial insurance.[33]

**44%**

Medicare patients account for **44% of all inpatient stays** in Oregon.[34]

On average, inpatient stays for those on Medicare are 16-36 hours longer than for those with Medicaid or commercial insurance.[35]

# Regulatory landscape increases costs, creates operational challenges

## Hospitals' growing regulatory burden is driving health care dollars towards paperwork and away from patient care.

Over the last decade, Oregon has layered on an increasingly complex and costly regulatory framework, diverting hospital staff and resources away from patient care. Some of these laws are unique to the state of Oregon. The cumulative impact of disconnected public policies has created one of the most difficult operating environments in the country for hospitals.

> *"When a regulation is passed, and in many cases it's absolutely well-intended and understandable, there's a whole administrative cost to that. It just keeps driving the cost of health care up in our state."*
>
> **Cheryl Nester Wolf, CEO, Salem Health**

## Spotlight on the hospital staffing law

During the 2023 legislative session, a coalition representing hospitals and labor worked together to pass a package of bills to support Oregon's health care workforce. One of those bills was HB 2697, the hospital staffing law. Rather than create a program that followed legislative intent and statutory requirements, the Oregon Health Authority (OHA) took enforcement positions that represent significant, fundamental departures from what the coalition expected. The results have been devastating.

In a time of declining state and federal funds, limited resources must be directed to where they matter most: The bedside. OHA's implementation and enforcement are diverting dollars from the bedside, forcing hospitals to waste resources in an overly burdensome process and directing dollars to bureaucracy instead of patient care.

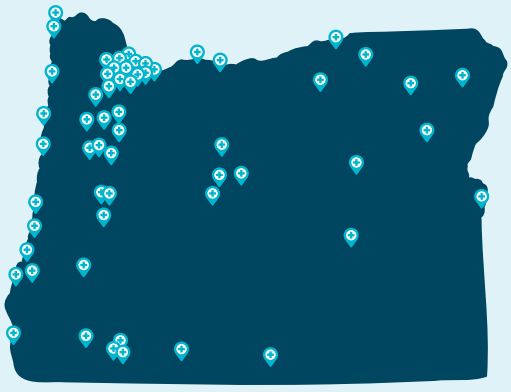
> *"OHA's choices are driving affordability challenges that will impact Oregonians. At a time when Oregon hospitals are struggling to keep their doors open and some have already shut their doors or service lines, OHA's decision to enforce the law differently than expected is draining resources and creating a serious threat to jobs and services Oregon communities rely on. The status quo is unsustainable."*
>
> **Becky Hultberg, president and CEO, Hospital Association of Oregon**

# Staggering losses force hospital closures, cuts

When hospitals cannot cover the cost of providing care, the consequences threaten access to care for patients and communities today and for generations to come. Losing a hospital isn't just losing a building—it's losing emergency care, obstetrics, surgery, behavioral health services, jobs, and an economic anchor for communities. In response to ongoing losses, hospitals have taken a variety of steps to meet communities' needs today, while safeguarding access to care for the future.

**Facing economic factors beyond their control, hospitals have been forced to make difficult decisions:**

- Citing ongoing financial challenges, Oregon's only long-term acute care facility, Vibra Specialty Hospital of Portland, closed.[36]
- As a result of Oregon's worsening financial and regulatory landscape for hospitals, Ashland Community Hospital closed its hospital license, transitioning to a satellite campus of Rogue Regional Medical Center.[37]
- Through a last-minute effort, the legislature provided help for Bay Area Hospital that will enable the hospital to keep its doors open.[38]
- Throughout the state, other services shuttered including labor and delivery units, a pediatric intensive care unit, urgent care clinics, and specialty clinics that focus on heart care, eye care, occupational health, cardiac and pulmonary rehab, and pain management.



**4.2 million**
Oregon residents

**59**
community hospitals

**2nd fewest**
hospital beds per capita

*In a state of 4.2 million,[39] Oregon has just 59 community hospitals—down from 62 in the past three years.[40] With the **second fewest hospital beds per capita in the nation**,[41] Oregon is especially vulnerable to the impacts of lost services or reduced access to hospital beds.*

## Service closures affect people's jobs and livelihoods

Since 2025, more than 1,000 health care workers have lost their jobs,[42] impacting families and communities across Oregon. Hospitals employ nearly 70,000 Oregonians,[43] making them a pillar of the state's economy and a critical source of stability in a weakening labor market.

# H.R. 1 accelerates the strain on a fraying safety net

In a health care landscape already rife with challenges, the federal law, H.R. 1, is triggering a tectonic shift, and those changes are already happening.

Over the next six years, provisions of this law will be phased in, affecting how the state funds and administers its Medicaid program, how much money it receives from the federal government, and eligibility standards for coverage.

## In total, the state estimates that:

- It will receive **$12 billion less in federal funding for Medicaid over the next 10 years.**[44]
- **200,000 Oregonians could lose health coverage,** as more than half a million Medicaid enrollees become subject to more frequent eligibility checks.[45]
- **It will lose a significant funding source for its "local match"** as the maximum allowable provider tax rate is reduced from 6% to 3.5% by FY 2032.[46]

Alongside these Medicaid changes, H.R. 1 also reduces Affordable Care Act (ACA) Marketplace premium tax credits, leading to higher premiums for enrollees. When these changes took effect in late 2025, Oregon experienced a **15.25% decline in ACA Marketplace enrollment**.[47]

With fewer Oregonians insured and reduced funding flowing to critical services, hospitals could experience further financial shocks.

# We must act now to protect the safety net for everyone

Oregon hospitals are the safety net for our communities, open and available to all. Yet they are at a breaking point. Year-over-year losses have weakened Oregon's hospitals, and changes in federal law threaten to deepen the crisis. Without intentional action to strengthen this safety net, it will continue to fray.

## Policymakers must act now to safeguard the care every Oregonian depends on. What can we do?

- **Protect and strengthen Medicaid payment to hospitals:** The fragility of hospitals and the catastrophic changes due to H.R. 1 mean we need to act now to save the hospital safety net.
- **Make government work:** State policies should reduce unnecessary administration or bureaucracy.
- **Hold insurers accountable:** Insurer policies should facilitate and promote good health care, rather than serving as a barrier to it.

# Endnotes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