

**HOUSE COMMITTEE ON**  
**AUDIT & HUMAN SERVICES BUDGET REFORM**

February 24, 2003 Hearing Room 50  
3:00 PM Tapes 36 - 37

**MEMBERS PRESENT:**        **Rep. Ben Westlund, Chair**  
                                 **Rep. Steve March, Vice-Chair**  
                                 **Rep. Jeff Kruse**  
                                 **Rep. Jeff Merkley**

**MEMBERS EXCUSED:**       **Rep. Randy Miller**  
                                 **Rep. Susan Morgan, Vice Chair**  
                                 **Rep. Bates**

**GUEST MEMBERS:**        **Rep. Laurie Monnes Anderson**  
                                 **Rep. Mitch Greenlick**  
                                 **Rep. Gordon Anderson**  
                                 **Rep. Billy Dalto**

**STAFF PRESENT:**         **Rick Berkobien, Committee Administrator**  
                                 **Kelly Fuller, Committee Assistant**

**ISSUES HEARD:**         **Informational Meeting - Invited Testimony**  
                                 **Ken Rutledge, President of the Oregon Association of Hospitals and**  
                                 **Health Systems**  
                                 **“The Economic and Health Care Contributions of Oregon Hospitals”**

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>Tape 36, A</b>		
002	Chair Westlund	Calls meeting to order, introduces Ken Rutledge, President of Oregon Association of Hospitals and Health Systems and opens the informational meeting.
<b><u>INFORMATIONAL MEETING</u></b>		
010	Rutledge	Gives an overview of his presentation materials and begins his presentation. <b>(EXHIBIT A)</b>
113	Rep. Kruse	Asks if health care the largest industry in California.
116	Rutledge	Responds to the question about the health care industry in California.
125	Rep. Kruse	Comments that one would assume that there is no other industry that can measure up to it nation wide.
128	Rutledge	Concurs and continues presentation.
179	Berkobien	Asks if he knows roughly how this compares across the nation.
185	Rutledge	Comments how this compares across the nation and continues.
211	Rep. Greenlick	Asks a question about figures on patient revenue margin.
237	Rutledge	Concurs that he is correct and elaborates on his handouts and the figures being discussed. <b>(EXHIBITS A, B, C, D, E)</b>

**TAPE 37, A**

012 Rep. Kruse Asks what the 12 percent proposed hits going to do to this number.

020 Rutledge Comments about what the cuts are going to do to this figure.

091 Rep. Kruse Makes comments about his hearing this morning.

097 Chair Westlund Asks for clarification on the figures in **(EXHIBIT A)**. Asks how many hospitals are there in Oregon. Asks if it fair to say that some of the 60 hospitals in Oregon are losing money.

123 Rutledge Agrees with the comments and elaborates.

128 Rep. Greenlick Makes comments about the percentage of small hospitals breaking even.

135 Rutledge Gives more detail about the small hospitals.

144 Rep. Greenlick Comments that it is probably optimistic that 7 broke even out of the 31.

145 Rep. Kruse Comments that is based on the projected cuts to A & B that will not happen.

148 Rutledge Gives more clarification.

199 Berkobien Asks if he is going to go into charitable care that hospitals are suppose to provide.

205 Rutledge Comments on charitable care.

242 Chair Westlund Comments that you only have to accept those patients if you accept Federal dollars.

255 Rutledge In terms of the emergency rooms you have to cover everyone., evaluation, treated and stabilized.

265 Rep. Greenlick Asks if there is some obligation for education research and for charitable care required.

180 Rutledge Makes comments about the obligation for education research and for charitable care.

299 Rep. Monnes Anderson Asks if charitable care is a tax exemption for hospitals.

307 Rep. Greenlick Clarifies his comments for Rep. Monnes Anderson.

313 Rutledge Elaborates and makes additional comments.

346 Rep. March Asks if we could have the raw numbers of charity use and emergency care, what the percentages are.

355 Rutledge Comments that he will bring those figures for tomorrows meeting and continues presentation. Discusses **(EXHIBIT B)**.

**TAPE 36, B**

062 Rep. Kruse Comments that part of the reason hospital stays are less in Oregon is because we have a better network than other places.

070 Rutledge Agrees and elaborates.

087 Rep. Kruse Comments that it would be interesting to see the matrix of the mix between home health care and nursing homes that are owned by hospital and those that are not.

095 Rutledge Responds to the questions on the matrix.

098 Rep. Kruse Comments that hospital deliver a lot of services outside of hospitalization, some are profitable and some are not and there is a fear that we may lose them.

105 Rutledge Responds.

114 Chair Westlund Asks for a chart on Medicaid.

120 Rutledge Will get the chart for us from his office.

Chair Westlund Calls for any questions from the committee, seeing none, closes the informational meeting and adjourns 4:48pm

## **EXHIBIT SUMMARY**

- A – Informational, prepared testimony, Ken Rutledge, 27 pp**
- B – Informational, Projected Impact of DHS Proposed Cuts, Ken Rutledge, 1 p**
- C – Informational, Oregon Hospitals, Ken Rutledge, 10 pp**
- D – Informational, Oregon Hospitals, Ken Rutledge, 2 pp**
- E – Informational, Health Professional Shortages, Ken Rutledge, 11 pp**