

DEMOCRATIC PARTY OF LANE COUNTY

Platform Committee

1/21/2016

RESOLUTION 2016.4

A resolution of the Democratic Party of Lane County

Relating non-profit hospitals

WHEREAS, in a December 14, 2015 Register Guard op-ed, PeaceHealth executive Rand O’Leary stated *“The Affordable Care Act was intentional in reducing charity care costs and giving health care organizations more dollars to spend on upstream efforts to keep people well and out of hospitals”*; and

WHEREAS, O’Leary went on to state *“With the decreased need for charity care comes the opportunity to expand our community benefit work”*; and

WHEREAS, O’Leary further stated that *“We have multiple financial assistance and financial counseling services for both insured and uninsured patients. Patients can get a reduction of anywhere from 10 percent to 100 percent of their portion of the bill. While we have seen a reduction in our financial assistance applications as more patients become insured under Cover Oregon and the Oregon Health Plan, we remain committed to making these resources available to patients who experience difficulties;”* and

WHEREAS, Bonny Cappa, a PeaceHealth emergency room employee, wrote in a December 19, 2015 Register Guard op-ed that she and another PeaceHealth employee had to file for bankruptcy due to medical bills they owed to their non-profit employer; and

WHEREAS, an exploration of medical debt and bankruptcy in Lane County claims that PeaceHealth’s Lane County 2014 net income was \$94 million, PeaceHealth held 39% of the medical debt listed on County bankruptcy filings, and this medical debt was \$5.6 million, 6% of PeaceHealth’s net income; and

WHEREAS, the CEO of PeaceHealth has a substantially greater salary than Oregon’s governor or the president of the University of Oregon, executives who run similarly complex organizations, and has a salary more than twice that of the president of the

United States; and

WHEREAS, non-profit health care providers have an obligation to serve those who cannot afford healthcare in return for the many tax breaks afforded to them by our society; and

WHEREAS, other states (e.g. – California, Illinois, Pennsylvania, Washington) have much more specific rules regarding the public benefit required of non-profit hospitals; and

WHEREAS, it is possible that PeaceHealth is not the only non-profit healthcare provider in Oregon that may not be providing their needy employees or others in Oregon the charity care or other public benefits that we should expect from an entity granted such favorable tax benefits;

THEREFORE, BE IT RESOLVED: the Democratic Party of Lane County calls on the Oregon Attorney General, as a leader of the Charitable Activities Section, and Oregon Secretary of State, in their auditing and overseeing role for nonprofits

SECTION 1. To investigate whether the behavior of large nonprofit healthcare providers in Oregon is legal and appropriate to standards.

SECTION 2. To investigate and recommend changes to Oregon laws to diminish medical bankruptcies, especially those caused by a nonprofit with sufficient income to enable debt forgiveness.

SECTION 3. To investigate and recommend Oregon laws that appropriately require nonprofit hospitals and other large healthcare providers meet society’s expectation of public benefit similar in magnitude to the tax benefit they receive, keeping in mind that (I) If net revenue and excess executive compensation together is positive, society should expect a public benefit at least as valuable as the tax benefit received by the organization; (II) Charity care is appropriately valued at the cost to provide the care; and (III) Providing free or lower cost care, especially to those whose care would otherwise be paid by state or local governments whose tax revenue is affected, should be a high priority.

**Resolved by the Central Committee of the Democratic Party of Lane County,
Assembled in Eugene, Oregon, January 21, 2016**

Signed:

X _____.

Chris Wig
Chair

X _____.

Celine Swenson-Harris
Secretary