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FOR IMMEDIATE RELEASE

Hospital Association of Oregon considers appeal of U.S. District Court ruling

Concerns remain about the state's Health Care Market Oversight Program

Lake Oswego, Ore.—A U.S. District Court judge ruled yesterday that a state law creating the Health Care Market Oversight Program does not violate the Due Process Clause of the U.S. Constitution. The Hospital Association of Oregon brought the lawsuit, and it can appeal to the U.S. Court of Appeals for the Ninth Circuit.

The Oregon Legislature passed HB 2362 in 2021 to create the Health Care Market Oversight Program, which gives Oregon Health Authority (OHA) significant power to oversee transactions involving health care entities, and aims to promote transparency, support statewide priorities, and monitor impacts. But since its passage, there have been concerns about the law's negative impacts.

"Proponents of this law said it would improve health equity and protect access to care, which we wholeheartedly support. However, the law fails to accomplish those objectives," said President and CEO Becky Hultberg. "Instead, we have an agency that has been given too much power, and it has created costly and onerous processes that have proven both arbitrary and unpredictable."

The hospital association challenged the law on two grounds: first, the law's open-ended and vague wording violates the Due Process Clause of the U.S. Constitution because it imposes costs and penalties without fair notice or defined standards. And second, the law violates the Oregon Constitution because it delegates legislative power to a state agency, OHA.

While the federal court ruled the law doesn't violate the Due Process Clause of the U.S. Constitution, it declined jurisdiction over the state constitutional claim and did not consider it on its merits.

"Rather than protect Oregonians, this law may be harming them," Hultberg said. "It has created an environment where health care arrangements serving the public may be hindered, while allowing arrangements detrimental to the public to proceed. We continue to be worried about the impact this law will have on access to health care services, especially for the most vulnerable people in our state."

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About the Hospital Association of Oregon

Founded in 1934, the Hospital Association of Oregon is a mission-driven, nonprofit trade association representing Oregon's 61 community hospitals. Together, hospitals are the sixth largest private employer statewide, employing more than 70,000 employees. Committed to fostering a stronger, safer, more equitable Oregon where all people have access to the care they need, the hospital association provides services to Oregon's hospitals ensuring all are able to deliver dependable, comprehensive health care to their communities; educates government officials and the public on the state's health landscape and works collaboratively with policymakers, community based organizations and the health care community to build consensus on and advance health care policy benefiting the state's four million residents.