Rural health clinics and hospitals casualties of COVID-19

By Sierra Dawn McClain
Capital Press

SALEM — In rural Oregon, a health care crisis is festering.

Gov. Kate Brown labeled healthcare providers "essential" during COVID-19, but the pangs of the lockdown have thrashed providers.

In March and April, many rural hospitals and clinics sat nearly empty with outpatient procedures and elective surgeries postponed. Delayed care may have health impacts for patients, and the revenue drop battered already-fragile rural health systems.

May 1, Gov. Brown permitted medical providers to resume 50% of normal patient levels. But 50% means less than breaking even, said Eric Wiser, a doctor and deputy director of Oregon Area Health Education Center.

"At a rural clinic, a couple procedures less is all you need to run into the red," said Wiser.

And Oregon's rural medical practices are seeing a lot of red on their bottom lines.

From March through May, a survey by the University of Colorado's Larry A. Green Center of more than 100 Oregon primary care practices found:

- Three-quarters experienced severe financial strain.
- Some 39% furloughed or laid off workers.
- One-quarter had some clinicians skip salaries.
- About 16% temporarily closed.

Thirty-three of those practices were in rural areas of the state.

Hospitals, too, took a hit. About 3 in 5 rural hospitals lost up to 70% of their revenue, according to the Oregon Association of Hospitals and Health Systems.

Federally funded community health centers, called CHCs, are also hurting. CHCs serve populations with limited health care access. Statewide since March, CHCs have lost more than $40 million, said Joan Watson-Patko, executive director of the Oregon Primary Care Association.

Some larger urban providers have been forced to tap their reserves.

Recent financial tallies show Oregon Health and Science University, PeaceHealth and Providence Health have about $1.1 billion, $2.1 billion and $6 billion in reserves, respectively.

In a late May survey, the majority of respondents at Oregon primary care practices said they don't know how much cash they have or think their reserves will last only three months.

Less money also means fewer jobs.

Statewide, CHCs shed 20% of jobs, said primary care expert Watson-Patko.

Hospitals also trimmed workers.

For example, Curry Health Network in Gold Beach furloughed, laid off or cut hours for 192 employees. Columbia Memorial Hospital in Astoria furloughed 90, North Bend Medical Center in Coos Bay 130, and Mid-Columbia Medical Center in The Dalles 225.

Kevin Mealy, spokesman for Oregon Nurses Association, said ONA advocated for nurses to receive training while departments were shuttered, making furloughs and layoffs a last resort.

Providers continued serving patients during lockdown, but most appointments were "telehealth" videos or calls. Experts say insurance reimbursements for telehealth are unsustainable and rural areas already have more patients on government insurance that pays providers less.

While revenue dwindled, expenses jumped.

The cost of personal protective equipment, or PPE, increased tenfold because of worldwide demand, disrupted supply lines and opportunists, said Harris. A 40-cent mask became $4.

"PPE, hands down, continues to be the greatest need," said Brenda Johnson, CEO of La Clinica community health clinic in Medford.

Photo contributed by St. Charles. Health System

Hannah Renzi holds a baby she delivered at St. Charles Health System's Family Birthing Center, in Bend. Renzi wears personal protective equipment, or PPE, during COVID-19.

Lawsuit challenging governor's pandemic restrictions dismissed

By Jayson Jacoby
EO Media Group

BAKER CITY — The plaintiffs, including a Baker City church, who sued Oregon Gov. Kate Brown in early May, claiming she had exceeded her legal authority in restricting activities due to the pandemic, have voluntarily dismissed their complaint.

In a motion ending the lawsuit, Salem attorney Ray Hacke cited the Oregon Supreme Court's June 12 ruling in the governor's favor.

The state's highest court ordered Baker County Circuit Court Judge Matt Shirtcliff to vacate his May 18 decision to grant a preliminary injunction to the plaintiffs, which include Elkhorn Baptist Church in Baker City.

Shirtcliff agreed with Hacke and another Salem attorney, Kevin Mannix, who represented a group of intervenor-plaintiffs, including Bill Harvey, chairman of the Baker County Board of Commissioners. Harvey had joined the lawsuit as an individual, not in his official capacity.

The plaintiffs argued Brown's executive orders related to the pandemic, including ones that restricted businesses and limited the size of public gatherings, were limited to 28 days.

One state law, dealing with public health emergencies, that the governor invoked in many of her orders includes the 28-day limit.

But the governor's attorneys argued Brown's orders were not subject to the 28-day limit because her original emergency declaration invoked a different state law, one with no time limit.

Shirtcliff sided with the plaintiffs and granted their request for a preliminary injunction that temporarily voided the governor's executive orders.

But that injunction was only in effect for several hours on May 18. Later that day the Oregon Supreme Court issued a temporary stay on Shirtcliff's order, which meant Brown's executive orders remained in effect.

The Supreme Court later accepted written arguments from both sides. On June 12 the court issued its ruling, ordering Shirtcliff to vacate his decision granting the preliminary injunction.

That decision only affected the injunction, and the lawsuit was at the time still active and could eventually have led to a trial in Baker County Circuit Court.

But Hacke, in his motion to dismiss the lawsuit, wrote the Oregon Supreme Court's June 12 ruling means the plaintiffs "cannot establish that (Brown) failed to comply with statutory and constitutional time limits and procedural requirements concerning the use of her emergency powers."

Shirtcliff approved Hacke's motion to dismiss the lawsuit.

Brown may call second special session in July

State awaits congressional action on pandemic aid

"This session has been a huge disappointment because we did not get the budget done, and Oregonians were locked out of the process."

Senate Republican Leader Fred Girod of Lyons

By Peter Wong
Oregon Capital Bureau

SALEM — One special session of the Oregon Legislature is history, but a second is coming.

Gov. Kate Brown said she will hold off an official call until mid to late July, following last week's three-day session that saw the passage of legislation to deal with police accountability, after-effects of the coronavirus pandemic and a few other issues.

State economists have projected a shortfall of $2.7 billion, resulting from reduced business activity and income tax collections, for the two-year $23.7 billion budget from the general fund and lottery proceeds.

Education, health and human services, and public safety account for more than 90% of that spending. Virtually all of that shortfall affects the second half of the budget cycle that starts Wednesday, July 1.

"Luckily we are better prepared for this economic downturn than many others in my lifetime with state reserves and a rainy-day fund currently in place," Brown told reporters the day after the session closed. "We are holding off a special session for the next few weeks to give Congress time to take action. I hope — I plead — that congressional legislators will hear the call from states across the country and step in with additional federal support."

Oregon got $1.4 billion in federal aid from the $2 trillion CARES Act, but states cannot use that money to offset budget shortfalls, only to pay expenses related to the coronavirus pandemic.

The Democratic-led U.S. House already has passed a plan containing more aid to states that, according to the Center on Budget and Policy Priorities, would give Oregon $3 billion now and $3.2 billion in May 2021. (Oregon's shortfall for the 2021-23 budget cycle is projected at $4 billion.)

The Republican majority in the U.S. Senate has balked at the $3 trillion price tag for the House's HEROES Act. But the National Governors Association, led by Republican Larry Hogan of Maryland and Democrat Andrew Cuomo of New York, have urged more federal aid. As states with Republican governors such as Arizona, Florida and Texas face rising coronavirus infection rates and renewed restrictions on public activity, states' finances will come into the spotlight.

The U.S. House plans to start its summer recess July 31; the Senate, no later than Aug. 10.

"I will be expecting to call in the Legislature quickly to look at budget reductions and plan for the next biennium," Brown said.

Agencies already have submitted potential spending cuts totaling almost $3 billion — equal to about 17% of what they draw from the tax-supported general fund — and Brown has endorsed $150 million in savings so far. Lawmakers are unlikely to adopt some of the more drastic cuts, such as closure of 10 of Oregon's 14 state prisons.

Brown did pledge to try to keep the state school fund, which supports public school operations, at the $9 billion that lawmakers budgeted. It accounts for 35% of general-fund and lottery spending.

Brown can cut spending across the board, but only the Legislature can cut selectively.

Selective hiring freezes and some layoffs are in effect, but so far, employee furloughs or rollbacks of negotiated pay increases are not.

"Everything is on the table as we turn to tackling the budget," Brown said. "We are doing everything we can to squeeze every bit of toothpaste out of the tube to address the short-term budget crisis as we begin to plan for the next budget cycle."

Oregon does have an estimated $1.6 billion in two main reserve funds — one for general purposes, the other earmarked for education — and up to $1 billion in an ending balance to be carried over into the next two-year cycle. But lawmakers are barred from spending all of the reserves in a single budget cycle, and the ending balance is never zero.

Lawmakers were just starting to look at proposed spending cuts and hear public testimony, beginning June 17, when Brown called the first special session.

Said House Republican Leader Christine Drazan of Canby: "While we passed historic bipartisan police accountability legislation, the session in many ways fell short, leaving Oregonians outside locked doors and the budget deep in the red."

Senate Republican Leader Fred Girod of Lyons added, "This session has been a huge disappointment because we did not get the budget done, and Oregonians were locked out of the process."

Senate President Peter Courtney, D-Salem, said federal aid will make a difference.

"If that does not happen, we're going to have a much different special session, I'll tell you that right now," Courtney, who has been in the Legislature during four previous economic downturns dating back to 1981, told reporters. "I think it's too early to tell how difficult it will be, how bloody it will be, until maybe the middle of July."

Schools, businesses seek protection against COVID-19 lawsuits

Oregon Restaurant and Lodging Association, Oregon Farm Bureau among groups

"The dilemma right now is that even if we do all of that there's still this fact that we could still face lawsuits related to COVID and not have any coverage for those."

Jared Cordon, Roseburg Public Schools Superintendent

By Arisa Cegavske
The News-Review via AP StoryShare

ROSEBURG — As businesses begin to welcome customers back and schools prepare to reopen in the fall, some are worried that even if they follow all the rules, a COVID-19 outbreak could be tied to them and prompt a costly lawsuit.

Roseburg Public Schools was recently informed by its insurer Pace that it would not be covered for COVID-19 issues after July 1. That means the school district would have no liability protection to cover the expenses of such a lawsuit.

"Liability is something that is keeping me up at night," said Roseburg Public Schools Superintendent Jared Cordon.

A broad coalition of organizations has formed around the issue. The Coalition of Oregon School Administrators is on board, along with a host of business interests, including the Oregon State Chamber of Commerce, Oregon Business and Industry, the Oregon Restaurant and Lodging Association and the Oregon Farm Bureau. The groups are asking the state Legislature to use next week's special session to pass laws protecting them from COVID-19 lawsuits.

"We're trying to push hard that the Legislature consider some language that people acting in good faith shouldn't be subject to civil damages that result from opening, particularly when that opening is following the guidance that's been provided," Cordon said.

Cordon said the school district is doing everything it can to follow the governor's orders and the Oregon Health Authority's guidelines on reopening safely.

"The dilemma right now is that even if we do all of that there's still this fact that we could still face lawsuits related to COVID and not have any coverage for those," he said.

Cordon said the legislation being proposed would not cover liability expenses for organizations that don't follow the state's safety rules.

"The ask isn't for covering gross negligence. It's not for recklessness or willful misconduct," he said.

Cordon said a recent survey of 1,500 parents and 500 students found an overwhelming majority want students to return to school.

"We really are trying to listen to our parents and our kids, and the large majority wants to get kids back into a sense of normalcy. And our staff really wants kids back," he said.

But he also doesn't want to put students' safety or public funds at risk, he said.

Oregon State Chamber of Commerce, an organization that lobbies Salem on behalf of many of the chambers of commerce around the state, has organized an online letter-writing campaign pushing for the governor and state legislators to take up COVID-19 lawsuit protections at the upcoming special session.

OSCC lobbyist Jenny Dresler said so far the liability issue has not appeared on any list she's seen of the planned topics for next week's legislative session.

But she said it needs to be on the agenda.

Even unsuccessful lawsuits, or those that wind up in settlement, could be expensive enough to cripple small mom and pop businesses already strapped for cash following months of shutdown, she said.

"That is a big concern right now, especially as people are as cash poor as they are as they work to reopen," she said.

She said she's heard lots of concern from business owners in the personal service industry, such as hair salons, who are especially fearful of possible lawsuits.

"That would be the end of their business, and they could potentially lose their home," she said. "This is scary stuff."

State Sen. Dallas Heard, R-Winston, said he would need to see proposed legislation before he could decide whether to support it. While he said he's sympathetic to the concerns of small business owners, he also sounded a note of caution.

He said he's reluctant to take away individuals' right to sue organizations whose actions have harmed them, especially where the defendants are large corporations or government entities.

"Liability protection," Heard said, "meaning taking away the ability for citizens to have recourse against someone or something I think is a very dangerous place."