

REVENUE: May have revenue impact, statement not yet issued

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Revenue by prior reference
Vote:	9 - 0 - 0
Yeas:	Bonamici, Bruun, Cannon, Flores, Gelser, Kotek, Maurer, Richardson, Greenlick
Nays:	0
Exc.:	0
Prepared By:	Sandy Thiele Cirka, Administrator
Meeting Dates:	3/19 (access sub), 3/23 (full)

WHAT THE MEASURE DOES: Extends sunset of Medicaid prepaid managed care health services organization tax assessment from January 1, 2008 to October 1, 2009. Effective 91st day after sine die.

ISSUES DISCUSSED:

- Issues surrounding cost-shift and uncompensated care
- Impact of co-payments and premiums on Oregon Heal Plan (OHP) Standard population
- Background on provider tax
- Goals linked with provider tax agreement
- State's ability to leverage federal match dollars
- Other providers to which a tax assessment could be applied
- Increasing the reimbursement rate to providers
- Equalize OHP and OHP Standard benefit package

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The 2003 Legislature created four new taxes, collectively referred to as the Medical Provider Taxes: (1) Hospital Tax; (2) Long Term Care Facility Tax; (3) Medicaid Managed Care Tax; and (4) Tax on Programs of All-Inclusive Care for Elderly Persons. All four of these taxes were created in HB 2747 (2003) and are used to finance Medicaid services and leverage additional federal funds.

The current assessment on each prepaid managed care health services organization subject to this tax is imposed at a rate determined by the Director of the Department of Human Services. The rate may not exceed six percent of managed care premiums paid to an organization. The rate applies to premiums received by these organizations before January 1, 2008. The revenues from this tax are deposited into the Medical Care Quality Assurance Fund. These revenues are to be used to partially fund an OHP Standard population hospital benefit funded through Medicaid and funding the state medical assistance program.

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This summary has not been adopted or officially endorsed by action of the committee.