

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 hospital tax assessment from January 1, 2008 to October 1, 2009. Effective 91st day after sine die.

ISSUES DISCUSSED:

- Reasons for sunset extension
- Maintain current funding stream
- Ongoing budget and health care reform discussions

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 assessment on each hospital subject to the Hospital Tax is imposed at a rate determined by the director of Human Services. The tax rate used is the best estimate of what is needed to fund identified services and costs, which currently may not exceed three percent of net revenue of each hospital. The tax applies to net revenues earned by hospitals before January 1, 2008. Net proceeds from this tax are deposited in the Hospital Quality Assurance Fund and are used to fund the Oregon Health Plan (OHP) Standard hospital benefit, to increase Medicaid rates to certain hospitals, and to restore the practice of allowing OHP eligibility retroactively, after medical costs have already been incurred.

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