

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:	7 - 0 - 2
Yeas:	Bonamici, Bruun, Cannon, Flores, Kotek, Maurer, Greenlick
Nays:	0
Exc.:	Gelser, Richardson
Prepared By:	Sandy Thiele Cirka, Administrator
Meeting Dates:	3/19 (Access sub), 4/18 (Access sub), 4/20 (Full)

WHAT THE MEASURE DOES: Omits revenues computed in provider tax assessments under current Oregon Law. Defines services included under definition of “provider.” Establishes an assessment upon each provider’s net revenues for a calendar year, and the timelines for providers to file and pay assessments. Allows Department of Revenue (DOR) to lower rate of assessment if necessary to comply with federal law. Establishes penalty for provider’s failure to report or pay assessments. Allows provider to file for a refund in the event of an assessment that is paid but not required, and to contest action by the DOR. Requires provider to report, unless otherwise exempt, payment of the assessment as an allowable cost for Medicaid reimbursement purposes. Allows DOR to audit provider records. Requires proceeds from assessment to be deposited in Oregon Health Plan Fund. Imposes current Oregon tax requirements upon provider assessments. Declares an operative date upon receipt of necessary federal approvals. Applies to health care provider net revenues on or after January 1, 2008.

ISSUES DISCUSSED:

- Provider taxes are used by the state to “draw down” federal matching funds for Medicaid eligible services
- Background on Federal provider tax program
- Review of Department of Human Services current provider tax program
- Current population of Oregon Health Plan Standard

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current law, the Oregon Department of Revenue cannot assess taxes against provider’s net revenues.