

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Revenue by prior reference
Vote:	4 - 0 - 1
Yeas:	Boquist, Cowan, Schaufler, Barker
Nays:	0
Exc.:	Scott
Prepared By:	Jim Keller, Administrator
Meeting Dates:	3/27, 4/24

WHAT THE MEASURE DOES: Establishes one-time tax credit for health care provider participating in TRICARE system. Directs Office of Rural Health to establish criteria to certify eligibility for tax credit. Creates subtraction from federal taxable income for income from TRICARE paid to health care provider. Applies to tax years beginning on or after January 1, 2008.

ISSUES DISCUSSED:

- Limited number of providers in rural Oregon
- Reimbursement rate is the same as Medicaid and Medicare
- Reimbursement cycle

EFFECT OF COMMITTEE AMENDMENT: Changes the health care provider in the practice of medicine to health care provider of health care services. Allows a tax credit each year of \$1,000, when health care services are provided to at least 10 patients, and fewer than 10 patients in a rural community. Requires the Office of Rural Health to establish criteria for certifying health care providers and to report to the legislative interim committees on revenue prior to October 1 of each year, the number of health care providers who qualify for the tax credit. Requires report prior to December 31st of each year by the administrator of the TRICARE contracts to the Office of Rural Health regarding the number of patients that each health care provider has provided service.

BACKGROUND: TRICARE was created in the early 1990s and is the U.S. Department of Defense health care entitlement program for active duty and retired members of the military, their families, and survivors. TRICARE receives its funding as part of the annual federal defense budget, which is approved by Congress. TRICARE is administered in the 21-state TRICARE West Region by the TriWest Healthcare Alliance, which is a privately held, Phoenix-based corporation. There are approximately 7,500 Oregon providers currently participating in the TriCare network.