

REVENUE: Revenue statement issued

FISCAL: May have fiscal impact; statement not yet issued

Action: Do pass and refer to Committee on Joint Ways and Means by prior reference

Vote: 3-0-2

Yeas: G. George, Monroe, Deckert

Nays:

Exc.: Burdick, Starr

Prepared By: Mazen Malik, Economist

Meeting Dates: 3/14, 4/29

WHAT THE BILL DOES: Requires that, of the revenue from the cigarette tax dedicated to the General Fund, 0.7 percent be credited to Office of Rural Health (ORH) for enhancing emergency services in rural communities, 0.85 percent be credited to ORH to provide rural safety net services including rural health facilities, and that 2.0 percent be credited to ORH for rural health viability grants. Appropriates moneys from the General Fund to the Rural Health Care Revolving Account. Declares an emergency, effective July 1, 2007.

ISSUES DISCUSSED:

- Filling the gap in health care. Not a partisan issue.
- Deteriorating Hospitals.
- Health care as a prerequisite for economic development. No companies will locate without it.
- 1000 square miles of coverage. Ability to keep places for help when possible.
- Viability grants, and office of rural health, inpatient/outpatient.
- Small percentage of cigarette tax.
- MSA money.

EFFECT OF COMMITTEE AMENDMENTS: No amendments.

BACKGROUND:

Oregon's Office of Rural Health is one of 50 in the nation and was established by the state Legislature in 1979. It is advised by the Oregon Rural Health Coordinating Council. The Office collaborated with Oregon Health & Science University (OHSU) in 1989. The Office coordinates efforts to improve rural health systems, provides technical assistance to rural communities, recruits health care providers, advises hospitals about the Critical Access Hospital option, and serves as a clearinghouse for information on rural health issues.

SB 37 would appropriate money to the Office of Rural Health to provide grants to rural EMS organizations for equipment and to Health Education Centers to provide free training to rural Emergency Medical Technicians.

It would also fund the technical and financial assistance account within the Office of Rural Health to provide financial assistance to isolated rural primary care clinics and direct the office to develop a grant program to assist rural communities in maintaining a viable health care delivery system.

Cigarette revenue is dedicated in two segments. Measure 44 of 1996 dedicated the first 58 cents and revenue proportionate to their percentages: 37.9 GF, 46.55% OHP, .17 TURA, and 10.35% to locals. The remaining 60 cents are mostly OHP revenue (97.9) dedicated by Measure 20. Out of cigarette taxes, General fund receives 18.6%, Health plan and TURA 75.6%, and 5.8% to local governments. Revenue from OTP goes 41.5% to the OHP, 4.62% to TURA, and the rest the general fund. Total tobacco revenue yields the overall distributions of 22.7% general fund, 69.1% health plan, 3.1% TURA, and 5.1% to local governments.

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