

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3088 **STATUS:** A-Engrossed
SUBJECT: Limits hospital billing charges to patients who are not enrolled in a health benefit plan
GOVERNMENT UNIT AFFECTED: Oregon Health and Science University
PREPARED BY: Steven Bender
REVIEWED BY: Adrienne Sexton
DATE: June 1, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See comments.		

REVENUES:
See comments.

EFFECTIVE DATE: Ninety-one days following adjournment sine die.

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This bill restricts hospital charges for services provided to patients who are not enrolled in a public or private health benefit plan (i.e., non-sponsored), to no more than the amount the hospital receives in payment for the same service when a patient is enrolled in Medicare, or in the hospital's highest volume insurer. Oregon Health and Science University (OHSU) estimates that this provision of the bill will reduce the amount that it will be able to collect from its non-sponsored patients by 40%, which would be equivalent to a revenue reduction of approximately \$6.3 million in the 2007-09 biennium, and of \$7.1 million in the 2009-11 biennium.

OHSU receives state General Fund to support its operations. The university, however, is organized as a public corporation, and the state does not exercise control over the OHSU budget or in any way limit its expenditures. The OHSU Board of Directors has ultimate authority over OHSU budget decisions, and the Board would approve any operational changes that might result from passage of this bill. State General Fund is appropriated to support OHSU's academic programs, the Child Development and Rehabilitation Center, the Oregon Poison Center, the Area Health Education Centers, and the Office of Rural Health. The state ended direct General Fund support of OHSU's hospitals and clinics in 2005.