

House Bill 2411

Sponsored by Representative BUTLER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates Illegal Alien Stop-Loss Program for Small Oregon Hospitals in Department of Human Services. Requires department to adopt reimbursement procedures according to specified criteria.

Allocates moneys to department from Administrative Services Economic Development Fund to administer program.

A BILL FOR AN ACT

1
2 Relating to the Illegal Alien Stop-Loss Program for Small Oregon Hospitals; and limiting expen-
3 ditures.

4 Whereas illegal aliens play Oregon lottery games and generate lottery proceeds; and

5 Whereas small rural Oregon hospitals provide large amounts of uncompensated care to illegal
6 aliens; and

7 Whereas some portion of lottery proceeds generated by illegal aliens should be used to assist
8 small rural hospitals to cover a portion of the costs from providing uncompensated care to aliens;
9 now, therefore,

10 **Be It Enacted by the People of the State of Oregon:**

11 **SECTION 1. There is created within the Department of Human Services an Illegal Alien**
12 **Stop-Loss Program for Small Oregon Hospitals to provide reimbursement for costs incurred**
13 **by small rural hospitals in serving uninsured aliens who are in the United States without**
14 **legal authorization.**

15 **SECTION 2. (1) The Department of Human Services shall administer the Illegal Alien**
16 **Stop-Loss Program for Small Oregon Hospitals. The department shall, by rules adopted in**
17 **accordance with ORS chapter 183, establish procedures by which small rural Oregon hospi-**
18 **tals may be reimbursed for the cost of care provided to illegal aliens that is not compensated**
19 **through health insurance or medical assistance. The department shall:**

20 (a) **Require type A and type B hospitals to bear the first \$100,000 of costs per year from**
21 **servicing illegal aliens; and**

22 (b) **Accept claims from type A and type B hospitals for amounts that equal 50 percent**
23 **of the costs per year in excess of \$100,000 borne by such hospitals in treating illegal aliens.**

24 (2) **From funds available to the department for purposes of this section and section 1 of**
25 **this 2007 Act, the department shall:**

26 (a) **Pay to type A hospitals submitting claims under this section a pro rata distribution,**
27 **up to the full amount of all claims;**

28 (b) **Pay to type B hospitals submitting claims under this section a pro rata distribution**
29 **of the amount remaining after the distribution of funds under paragraph (a) of this sub-**
30 **section, up to the full amount of all claims; and**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) Pay any amounts remaining after the distribution of funds under paragraph (b) of this
2 subsection to all other Oregon hospitals based upon each hospital's pro rata share of gross
3 unpaid annual billings.

4 (3) As used in this section, "type A hospital" and "type B hospital" mean rural hospitals
5 as described in ORS 442.470 (5)(a)(A) and (B), respectively.

6 **SECTION 3.** (1) There is allocated to the Department of Human Services from the Ad-
7 ministrative Services Economic Development Fund the amount identified in subsection (2)
8 of this section.

9 (2) Notwithstanding any other law limiting expenditures, the amount of \$4 million is es-
10 tablished for the biennium beginning July 1, 2007, as the maximum limit for payment of ex-
11 penses by the department from the Administrative Services Economic Development Fund for
12 the Illegal Alien Stop-Loss Program for Small Oregon Hospitals.

13 (3) The allocation of moneys from the Administrative Services Economic Development
14 Fund under this section is subject to the requirements in section 4, Article XV of the Oregon
15 Constitution, for deposit of specified amounts of the net proceeds from the Oregon State
16 Lottery into the Education Stability Fund and into the Parks and Natural Resources Fund
17 and shall be made only after satisfaction or payment of:

18 (a) Amounts allocated to Westside lottery bonds issued under ORS 391.140 or to the re-
19 serves or any refunding related to the Westside lottery bonds in accordance with the priority
20 for allocation and disbursement established by ORS 391.130;

21 (b) All liens, pledges or other obligations relating to lottery bonds or refunding lottery
22 bonds that are due or payable during the biennium beginning July 1, 2007; and

23 (c) Amounts required by any other pledges of, or liens on, net proceeds from the Oregon
24 State Lottery.

25 **SECTION 4.** The Department of Human Services may not reduce reimbursement paid to
26 hospitals for services provided by the hospitals through the medical assistance programs
27 under ORS chapter 414 by the amount of the payments under section 2 of this 2007 Act.
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